



Council Minutes

UNCONFIRMED MINUTES

ORDINARY COUNCIL MEETING

5.30pm, 05 DECEMBER, 2017

Council Chambers, Civic Centre, Dundebur Road, Wanneroo

Recording of Council Meetings Policy

Objective

- To ensure that there is a process in place to outline access to the recorded proceedings of Council.
- To emphasise that the reason for recording of Council Meetings is to ensure the accuracy of Council Minutes and that any reproduction is for the sole purpose of Council business.

Statement

Recording of Proceedings

- (1) Proceedings for meetings of the Council, Electors, and Public Question Time during Council Briefing Sessions shall be recorded by the City on sound recording equipment, except in the case of meetings of the Council where the Council closes the meeting to the public.
- (2) Notwithstanding subclause (1), proceedings of a meeting of the Council which is closed to the public shall be recorded where the Council resolves to do so.
- (3) No member of the public is to use any electronic, visual or vocal recording device or instrument to record the proceedings of the Council or a committee without the written permission of the Council.

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- (5) Elected Members may request a recording of the Council proceedings at no charge. However, no transcript will be produced without the approval of the Chief Executive Officer. All Elected Members are to be notified when recordings are requested by individual Members.

Retention of Recordings

- (6) Recordings pertaining to the proceedings of Council Meetings shall be retained in accordance with the State Records Act 2000.

Disclosure of Policy

- (7) This policy shall be printed within the agenda of all Council, Special Council, Electors and Special Electors meetings to advise the public that the proceedings of the meeting are recorded.



UNCONFIRMED MINUTES OF ORDINARY COUNCIL MEETING

HELD ON TUESDAY 05 DECEMBER, 2017

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M I N U T E S

Mayor Roberts declared the meeting open at 5:39pm and read the prayer.

Good evening Councillors, staff, ladies and gentlemen, we wish to acknowledge the traditional custodians of the land we are meeting on, the Whadjuk people. We would like to pay respect to the Elders of the Nyoongar nation, past and present, who have walked and cared for the land and we acknowledge and respect their continuing culture and the contributions made to the life of this city and this region and I invite you to bow your head in prayer:

Lord, We ask for your blessing upon our City, our community and our Council. Guide us in our decision making to act fairly, without fear or favour and with compassion, integrity and honesty. May we show true leadership, be inclusive of all, and guide the City of Wanneroo to a prosperous future that all may share. We ask this in your name. Amen

Please refer to agenda for details of full reports and attachments.

Item 1 Attendances

TRACEY ROBERTS, JP

Mayor

Councillors:

FRANK CVITAN, JP	Central Ward
SAMANTHA FENN	Central Ward
PAUL MILES	Central Ward (left at 5:52pm)
DOT NEWTON, JP	Central Ward
LINDA AITKEN, JP	North Coast Ward
SONET COETZEE	North Coast Ward
RUSSELL DRIVER	North Coast Ward
LEWIS FLOOD	North Coast Ward
NATALIE SANGALLI	North Coast Ward
DENIS HAYDEN	South Ward
HUGH NGUYEN	South Ward
LARA SIMPKINS, JP	South Ward
BRETT TREBY	South Ward
DOMENIC ZAPPA	South Ward

Officers:

DANIEL SIMMS	Chief Executive Officer
MARK DICKSON	Director, Planning and Sustainability
HARMINDER SINGH	Director, Assets
DEBBIE TERELINCK	Director, Community & Place
NOELENE JENNINGS	Director, Corporate Strategy & Performance
MUSTAFA YILDIZ	Manager Governance and Legal
DAVID NICHOLSON	Operations Manager Business & Finance
PAS BRACONE	Manager Approval Services
MICHAEL PENSON	Project Management Accountant
NAT LEE	Communications Advisor
NATASHA SMART	Manager Council & Corporate Support
YVETTE HEATH	Minute Officer

Visitors:

JOHN HURLEY

Talis Consultants

Item 2 Apologies and Leave of Absence**Moved Cr Hayden, Seconded Cr Sangalli**

That Council GRANT a Leave of Absence to Cr Coetzee from 9 December through to 22 December 2017, inclusive and GRANT a Leave of Absence to Mayor Roberts from 31 December 2017 to 22 January 2018, inclusive.

CARRIED UNANIMOUSLY

There were 23 members of the public and one member of the press in attendance.

Item 3 Public Question Time***Questions Received in Writing Prior to Council Meeting*****PQ01-12/17 Mr S Adam, Moonraker Road, Jindalee**

Alleged Breaches of Building Act and Private Property Local Law

Why have the City and Councillors refused to answer valid questions relating to previous and current breaches of the Building Act and Private Property Local Laws under the City's jurisdiction, which should be considered an abuse of public office. The questions were emailed to the City on 26 September 2017 and several occasions after that. These valid questions have never been answered by anyone, despite the fact that the City have agreed the breaches exist.

Response by Executive Manager, Governance and Legal

The complaints and questions have been both internally reviewed, the outcome of which has been provided to Mr Adam, and independently investigated. The outcome of the independent investigation was also provided to the City's Audit and Risk Committee.

The independent investigation did not observe any conduct or behaviour by City employees "that may be considered either misconduct or serious misconduct".

PQ02-12/17 Ms M Adam, Moonraker Road, Jindalee

Vetting of emails to Elected Members

Are the Mayor and the Councillors concerned that their emails are being read and vetted before reaching them and does this privacy intrusion breach any legislation, if so, have those breaches been reported to the relevant authorities?

Response by Executive Manager, Governance and Legal

Council is aware of the procedure implemented to manage the unreasonable conduct of complainants.

The procedure aligns with the Ombudsman of Western Australia guidelines and does not breach any legislation. All documents and records received, created or issued by the City (which includes by or to Administration staff and Elected Members) must be maintained and recorded in accordance with the requirements of the State Records Act. Whilst there is no breach of any person's privacy, an information management process is applied to ensure that the records are uploaded to the City's document management system in accordance with the City's Record Keeping Plan and the State Records Act.

PQ03-12/17 Mr S Freestone, Fairford Way, Quinns Rocks

PS03-12/17 Consideration of Development Application for a Change of use to Residential Building at Lot 263 (224) Ocean Drive, Quinns Rocks (DA2016/1848)

1. *In respect to this application we are the only owner occupiers adjacent to the property at 224 Ocean Drive Quinns Rocks. All other properties are either rental or vacant land. We object to this application for Change of Use – the property has been used for this purpose since 2007.*

Response by Director, Planning and Sustainability

Question taken on notice.

Further Response by Director, Planning and Sustainability

The objection was taken into consideration during the assessment of the application and subsequent report to Council.

2. *Please advise how the proposed management plan is to be actioned and controlled when breaches are generally outside business hours? Please confirm that the owner/manager of the property is contactable 24 hours a day, resides locally and is able to attend to the breaches at the property when they occur?*

Response by Director, Planning and Sustainability

Question taken on notice.

Further Response by Director, Planning and Sustainability

Instances of breaches of the management plan can be provided to the City's Compliance Services, for investigation, and should be supported by evidence (including photos). Should it be found that a breach of a condition of approval occurred, the City can take enforcement action. After hours, these instances can be reported to the City's Ranger Services, who can also investigate and take note of the activities occurring, to support enforcement action.

The condition of approval requires that the property manager attend in the instance of a complaint. The City will ensure that these contact details are provided to adjoining landowners and occupiers at the earliest opportunity.

3. *Please confirm when the contact details are to be provided including a mobile and local land based contact number? The business is still currently in operation and no details have yet been provided.*

Response by Director, Planning and Sustainability

Question taken on notice

Further Response by Director, Planning and Sustainability

The City's Compliance Services will follow up to ensure that the details are provided to adjoining owners at the earliest opportunity, as per the condition of approval.

4. *Please confirm and advise the Council after hours contact details for the Council's Health Department. The officer on call will need to be appropriately qualified to conduct noise measurement tests. Note that the majority of breaches take place late at night on weekends and public holidays especially in the summer months. We have been advised on numerous occasions that the police will only attend where there is property damage or physical assault and that noise issues are the councils responsibility.*

Response by Director, Planning and Sustainability

Question taken on notice

Further Response by Director, Planning and Sustainability

Health Services do not have an officer on duty after hours. Complaints can be lodged by calling 1300 138 393 after hours or via the City's website. The City's Rangers perform an after-hours complaint investigation service and are able to drive by a premise to verify that a noise nuisance exists. Their observations are passed onto Health Services and a process of mediation is commenced by an Environmental Health Officer during office hours if required.

The City's current noise procedure requires a person affected by noise to lodge a noise complaint log sheet and specify dates and times the noise occurs. The matter will then be investigated by an Environmental Health Officer in accordance with the Environmental Protection (Noise) Regulations 1997 during business hours. A process of mediation, utilising verbal and written communication, is used in the first instance to achieve behavioural change and prevent noise nuisances from occurring. If this process proves to be unsuccessful and problems persist, then an Environmental Health Officer will perform noise monitoring by appointment after hours and commence compliance action if necessary.

The Police possess powers as authorised officers under the Environmental Protection Act to resolve noise complaints. The Police are trained and equipped to deal with circumstances that may otherwise place Council Officers in difficult or dangerous situations after hours if alcohol or drugs are involved.

5. *Based on the council's planning recommendation of this application please advise of the councils compensation to be provided to adjoining properties?*

Response by Director, Planning and Sustainability

Question taken on notice

Further Response by Director, Planning and Sustainability

The City will not be providing compensation to adjoining properties.

6. *Will the council rates for the property at 224 Ocean Drive be adjusted (retrospectively since 2007) based on its higher GRV based on its advertised rate of up to \$4,140 pw?*

Response by Director, Planning and Sustainability

Question taken on notice.

Further Response by Director, Planning and Sustainability

The City has been advised by the Valuer-General that the valuation for the property would not change based on this approval. In this regard, the applicable rates for the property will not be adjusted.

7. *Please confirm that the property code of conduct and that the premises are not to be utilised for parties, functions or events is on its websites confirming that the tenants are aware of the property requirements?*

Response by Director, Planning and Sustainability

Question taken on notice.

Further Response by Director, Planning and Sustainability

The code of conduct explicitly states that the premise is not to be used for parties and functions, and the carrying out of these is prohibited. The City understands that prospective guests are required to agree to these terms prior to the acceptance of their booking. Notwithstanding, as the implementation of this code of conduct is conditioned, it is the proponent's responsibility to ensure that guests are aware of these requirements.

Questions Received during the Council Meeting

PQ04-12/17 Mr M Monte, Old Yanchep Road, Carabooda

Item PS02-12/17 SAT Reconsideration of Development Application (DA2015/2161) for Restaurant and Rural Use at Lot 506 (272) Old Yanchep Road, Carabooda

Is Council aware that the copy of the letter I signed, which is included as Attachment 4 on page 58 of the Agenda is incorrect as it does not show all of my comments?

Response by Mayor Roberts

You are saying that the document in the Agenda is not a true and accurate record of the intent?

Response by Chief Executive Officer

The letter in the Agenda did not include a comment that Mr Monte thought would be included. To the Director of Planning and Sustainability, what bearing does that now have on the application before Council?

Response by Director, Planning and Sustainability

This would relate to whether Mr Monte has any objection to a 1.8m fence on the boundary property but it does not have a material bearing on whether the restaurant could or could not be supported at tonight's meeting.

PQ05-12/17 Mrs S Winton, Gibbs Road, Nowergup

Item PS02-12/17 SAT Reconsideration of Development Application (DA2015/2161) for Restaurant and Rural Use at Lot 506 (272) Old Yanchep Road, Carabooda

1. *Why didn't Administration refer to the part of the Economic Development Strategy that refers to agri-business in Wanneroo, particularly because it is such a strategic focus area for the City?*

Response by Director, Planning and Sustainability

Part of the City's economic development strategy is referred to but not that particular section. Whilst it does have some bearing, administration referred to the key part of the strategy that was considered in terms of tourism-related activities to try to provide a balanced approach.

2. *In the Carabooda area where this is occurring, what would be the main economic driver? Would it be tourism or agri-business? Not sure why that part of the economic strategy does not appear in this report?*

Response by Director, Planning and Sustainability

It is a balance of trying to achieve both which is what the report has tried to reflect, that whilst the purpose of this zoning is to encourage and support intensive agriculture, it is also that we are trying to develop and promote tourism. The report shows that the two are not necessarily incompatible as has been evidenced by the information provided.

3. *State Planning Policy 2.5 Rural Planning and also State Planning Policy 2.5 Rural Planning Guidelines brought out in December 2016 refer to buffers. Can Administration clarify what the actual buffers are between the restaurant and the intensive agriculture activities in that area?*

Response by Director, Planning and Sustainability

Attachment 2 of the report indicates the approximate distances from the restaurant to the adjacent land uses and the boundary. The proposed buffer to the north east is 184m, to the south east is 80m and to the south west is 86.2m.

4. *Is Administration aware of what minimum buffers are recommended in the State Planning Policy documents?*

Response by Director, Planning and Sustainability

I do not have a copy of State Planning Policy available at tonight's meeting.

5. *It was a hypothetical question and wanted to alert Elected Members to the fact that it is a minimum of 300-500m. The other aspect of the State Planning Policy states that "in*

addition to those matters required under a Scheme where detailed consideration of off-site impacts is required in accordance with clause 5.12.1 determination of a buffer should take into account separation distances recommended in government policy and guidance.” Did that occur as part of this process?

Response by Director, Planning and Sustainability

In assessing this application Administration have had regard to the advice from the environmental consultants in terms of the landscape buffer between the proposed use and State Planning Policy 2.5 which is referred to on page 21 of the report. That points out that whilst State Planning Policy 2.5 is relevant, the paragraph halfway down the page, does indicate that there have been modifications to the application which address the potential impacts on the restaurant of the activities associated with the intensive agricultural uses on the surrounding area. Given the additional evidence provided by the environmental consultants on behalf of the applicant and verified by the City's environmental consultant, we are satisfied that those issues have been addressed through the mitigation measures proposed.

6. *Regarding the SAT process, has there been a precedent where sensitive land uses have been allowed to occur over the priority zoning?*

Response by City's Environmental Consultant

Yes, there is quite voluminous precedent on sensitive land uses. One of the difficulties with this particular one is for a restaurant under all the relevant policies, there is no clarity nor is it unanimous as to whether a restaurant is in fact a sensitive land use. Generally speaking, most of the precedents in favour of the refusal of particular proposals where sensitive land uses are involved are generally residential or residential type developments.

7. *Can the proponent erect a higher than normal rural fence if there is no consent by adjoining landowners?*

Response by City's Environmental Consultant

The reason the applicants were requested to seek those letters from the adjoining property owners is that the City cannot mandate any sort of development on the actual boundary, which is a matter covered by the Dividing Fences Act. In the circumstances where such approval between neighbours is not forthcoming, it is then open for Council to allow a similar structure which is essentially a fence, but it is not on the boundary, so some distance away from the actual boundary. That would be an alternative solution.

Cr Miles left the meeting at 5:52pm

PQ06-12/17 Mr M Arrigoni, Cave Loop, Yanchep

Item PS04-12/17 Refusal of Proposed Amendment to Local Development Plan – Zamia Rise Dunes, Yanchep

1. *There is incorrect documentation in the report that has been included in tonight's Agenda and the recommendation to refuse is based on this false documentation. With regard to the clearing of land, this goes back to 2013 and have photos to show most of*

this clearing had been done by the time we purchased the property in 2016?

Response by Director, Planning and Sustainability

I am not able to verify exactly when the area of land was cleared. The evidence before Council in terms of this report indicates that there has been clearing that has been undertaken in an area where it shouldn't have as it falls outside of the building envelope of the site. I cannot confirm whether that was undertaken by the applicant or prior to the applicant acquiring the site.

2. *Have had discussions with the neighbour regarding shed erection and an agreement was made in January 2017 with signed plans and paperwork but they have changed their minds since. Came to the City of Wanneroo for advice but they weren't sure on what action to take. The report states that 680sq m of land has been cleared but it was not us that cleared it.*

Response by Director, Planning and Sustainability

The intent of the planning framework for this area was to try and retain the topography of the land and retain the existing vegetation on the site. Whether the area of clearing was undertaken by the applicant or previous owners is not relevant in terms of what is before Council tonight.

PQ07-12/17 Mr B Neave, Old Yanchep Road, Carabooda

Item PS02-12/17 SAT Reconsideration of Development Application (DA2015/2161) for Restaurant and Rural Use at Lot 506 (272) Old Yanchep Road, Carabooda

Referring to the Guidelines for Separation of Agricultural and Residential Land Uses which talks about buffers for market gardens and taking into consideration the spraying done, does Administration know the chemicals that are sprayed, how often and by what method? Unless you know these things, how can you risk assess that having people so close is acceptable on a human health basis?

Response by Manager, Approval Services

That information is contained in the documentation so Administration is aware of the spraying patterns.

Item 4 Confirmation of Minutes

OC01-12/17 Minutes of Ordinary Council Meeting held on 14 November 2017

Moved Cr Fenn, Seconded Cr Simpkins

That the minutes of the Ordinary Council Meeting held on 14 November 2017 be confirmed.

CARRIED UNANIMOUSLY

Item 5 Announcements by the Mayor without Discussion

Nil

Item 6 Questions from Elected Members**CQ01-12/17 Cr Hayden – Remove tree, Marangaroo Drive, Marangaroo**

1. *Is the City aware there was a serious crash on Marangaroo Drive, west of Highclere Boulevard and the tree the car impacted has been ring-barked and may be a hazard in future?*

Response by Director, Assets

Question taken on notice.

Further Response by Director, Assets

Traffic Services will seek crash details from the Police Crash Investigation Unit, as well as arrange a site meeting.

2. *Some time ago Mr Ron Emery, owner of the Kingsway Tavern voiced his concerns in relation to the two bus stops opposite the Darch Shopping Centre on Kingsway Drive due to the danger presented when buses pull up, by impatient drivers pulling out around them and nearly having a head on collision, or when both buses are there at the same time, the road is blocked. Can Council follow up on this complaint?*

Response by Director, Assets

Question taken on notice.

Further Response by Director, Assets

Traffic Services will arrange a site meeting as part of its follow up.

CQ02-12/17 Cr Cvitan – Intersection of Caporn and Franklin Road, Wanneroo

The City has done a lot of work already to improve the T-junction of Caporn and Franklin Roads, Wanneroo but have had a lot of calls about near misses in that area so ask that the City can have a closer look at that?

Response by Director, Assets

Question taken on notice.

Further Response by Director, Assets

Traffic Services will contact the Police Crash Investigation Unit for details of any recent crashes requiring police attendance, as well attend the site to determine if there is any physical interference impacting driver's utilising the intersection.

Item 7 Petitions

New Petitions Received

PT01-12/17 Objection to Location of Telecommunications Tower, 23 Beonaddy Road, Eglinton

Cr Sangalli presented a petition of 25 signatures objecting to the proposal to locate a telecommunications tower at 23 Beonaddy Road, Eglinton. (Trim 17/413569)

Moved Cr Cvitan, Seconded Cr Treby

That the petition PT01-12/17 be received and forwarded to the relevant Directorate for reporting back to Council.

CARRIED UNANIMOUSLY

Update on Petitions

Nil

Item 8 Reports

Declarations of Interest by Elected Members, including the nature and extent of the interest. Declaration of Interest forms to be completed and handed to the Chief Executive Officer.

Mayor Roberts declared an impartiality interest in Item AS02-11/17 due to being a patron and a member of the Sun City Yacht Club.

Cr Coetzee declared an impartiality interest in Item AS02-11/17 due to being a member of the committee of the Sun City Yacht Club.

Cr Aitken declared an impartiality interest in Item AS02-11/17 due to being a social club member of the Sun City Yacht Club.

Cr Aitken declared an impartiality interest in Item CP03-12/17 due to being a member of Atlantis Productions and a member of the Two Rocks Community Recreation Centre.

Cr Treby declared an impartiality interest in item CE01-12/17 due to working for Sport and Recreation WA, a division of the Department of Local Government, Sport and Cultural Industries.

Planning and Sustainability**City Growth****PS01-12/17 Whiteman Yanchep Highway: Neaves Road Realignment into Flynn Drive**

File Ref:	21039 – 17/400665
Responsible Officer:	Director Planning and Sustainability
Disclosure of Interest:	Nil
Attachments:	3

Moved Cr Cvitan, Seconded Cr Fenn

That Council ADVISES Main Roads Western Australia (MRWA) that, without prejudice to any further consideration it may give to this matter through the course of the intended Metropolitan Region Scheme amendment process:-

1. It supports the proposed alignments for the Whiteman Yanchep Highway (Gnangara Road to Neaves Road) and the proposed alignment of Neaves Road into Flynn Drive as shown on the plans included in Attachments 1 and 2 of this report;
2. It supports MRWA in making an application to the Western Australian Planning Commission to amend the Metropolitan Region Scheme to reserve these proposed road alignments under that scheme; and
3. It does not support the location of the future East Wanneroo rail corridor along the Whiteman Yanchep Highway alignment and that the City will continue to advocate for the rail corridor to be located within the new East Wanneroo urban area to achieve better transport and land use integration.

CARRIED UNANIMOUSLY

Whiteman Yanchep Highway – Summary for City of Wanneroo, October 2017

Summary

Main Roads has been progressing an Alignment Definition Study for the Whiteman Yanchep Highway between Gnangara Road and Neaves Road, including a Realignment of Neaves Road into Flynn Drive.

Planning for the highway further north of Neaves Road, up to the Mitchell Fwy in the vicinity of Yanchep, will be the subject of a future planning study yet to commence.

This is a long term planning activity and there is currently no funding for construction. Transport modelling indicates the Whiteman Yanchep Highway will be required up to Neaves Road by 2031.

The future opportunity for heavy rail in the median has been provided, however this is subject to more detailed planning on the East Wanneroo Rail Line.

Main Roads is now seeking the following, either from City of Wanneroo Council or Administration:

- Endorsement for the progress to date on the Whiteman Yanchep Highway, Gnangara Road to Neaves Road, Alignment Definition Study.
- Endorsement of Main Roads progression towards a Metropolitan Region Scheme Amendment for the Whiteman Yanchep Highway, Gnangara Road to Neaves Road.

Background

The need for a new North South route in East Wanneroo was originally identified in the North West Corridor Structure Plan Review conducted by ARRB on behalf of the Department of Planning (DoP) in 2009. The route was subsequently endorsed by the Infrastructure Coordinating Committee of the Western Australian Planning Commission in June 2010. An indicative alignment for the route between Gnangara Rd and Neaves Rd was first identified in the East Wanneroo Structure Plan 2011.

The proposed highway is located in the North West Corridor of the Perth metropolitan area. It is within the City of Swan and the City of Wanneroo and runs from just south of Gnangara Rd where it deviates from the Perth Darwin National Highway (PDNH) / Tonkin Highway which is part of the NorthLink WA Project, up to Mitchell Freeway in the vicinity of Yanchep.

A possible alignment between Gnangara Road and Neaves Road was identified as part of the road study undertaken by the DoP in 2010. Main Roads has reviewed this previous work and has progressed work to define an alignment and subsequent reservation in the MRS.

A preferred alignment for the section north of Neaves Road up to Mitchell Freeway in the vicinity of Yanchep was selected as part of the Alignment Selection Study conducted by Main Roads WA in consultation with key stakeholders. The outcomes of this study and preferred alignment were presented to the WAPC in April 2015 and a preferred alignment endorsed by the WAPC in June 2015. A subsequent alignment change at the northern end was endorsed by the WAPC at the October 2016 meeting. The alignment change was to avoid impact to a Caves TEC which is a key commonwealth environmental value the SAPPR is aiming to protect.

Refinements to the preferred alignment for the southern section, between Gngangara Road and Neaves Road was endorsed by the WAPC in November 2015. These alignment changes aimed to minimise Bush Forever impacts which was a key point of feedback through the SAPPR process. The Alignment Definition Study for the southern section, is now complete and is ready for the initiation of an MRS Amendment.

Progress to Date

Main Roads has been progressing an Alignment Definition Study for the Whiteman Yanchep Highway, Gngangara Road to Neaves Road, which is now complete. The purpose of this study was to undertake activities required to inform an Ultimate Planning Design Concept and required road reservation so a Metropolitan Region Scheme (MRS) Amendment can be progressed.

The scope of the study includes an extension of Flynn Dr between Old Yanchep Road and the Whiteman Yanchep Hwy which is proposed to connect into Neaves Rd to the east at a grade separated interchange with the highway. The study also includes a realignment of Neaves Rd between the highway and the Local Government boundary between the City of Swan and the City of Wanneroo. This work links into the Neaves-Rutland Other Regional Road study currently being conducted by the Department of Planning and previous planning work conducted along Flynn Dr.

The following key activities have been conducted as part of the alignment definition study:

- Review of the Preferred Alignment and connecting road network
- Interchange Option Assessment
- Transport Modelling & Traffic Analysis
- Opportunities and Constraint Assessment
- Preparation of Ultimate Planning Design Concept, Carriageway Pattern and Profiles Drawings, and Land Protection Plan Drawings.
- Access Strategy
- Utilities Strategy
- Water Management Strategy
- Environmental Impact Assessment
- Heritage Assessment
- Noise Impact Assessment
- Basic Raw Materials Strategy
- Stakeholder & Community Consultation

The traffic assessment was based on transport modelling conducted jointly with the NorthLink WA project for an ultimate build out time horizon, indicatively around 2050. The Planning Design Concept was prepared to provide sufficient future capacity identified through the traffic assessment. An assessment to provide for managed freeway requirements was also conducted. Transport modelling indicates this section of the highway, up to Neaves Road, is required before 2031 and the section north of Neaves Road is required sometime after 2031.

A desktop constraints and opportunities assessment was conducted as part of the study. The key constraints identified within the study area were small areas of Bush Forever and Conservation Category Wetlands, Wellhead Protection Zones and water pipelines associated with water bore infrastructure, mining tenements and leases. The large majority of the study area is within the Gngangara Moore River State Forest and the Priority 1 Underground Water Pollution Control Area associated with the Gngangara Mound.

The Planning Design Concept prepared comprised road design for the control of access

highway including three interchanges at Elliot Road, Ranch Road and Neaves Road / Flynn Drive, waterways and drainage design, a principal shared path and a required road reservation. Concept Plan, Carriageway Pattern and Profile Drawings and Land Protection Plans were drafted based on the Ultimate Planning Design Concept to inform the MRS Amendment.

Ultimate planning for the Whiteman Yanchep Highway between Gngangara Road and Neaves Road is for a six lane control of access highway with grade separated interchanges at all cross roads. A 22m median has been adopted to provide the potential for future heavy rail in the median. This is the alignment for the East Wanneroo Rail Line, as denoted in the Draft Perth and Peel at 3.5 Million Population Framework. Interchanges are planned at Gngangara Road, Elliot Road, Ranch Road and Neaves Road / Flynn Drive. Elliot Road and Ranch Road have been designed as Grade Separated Dogbone Roundabout Interchanges. Gngangara Road and Neaves Road / Flynn Drive have been designed as Grade Separated Egg-shaped Roundabout Interchanges.

An access strategy was developed to map out agreed future access points. This included the identification of future access points to the Whiteman Yanchep Highway, which are to be at interchange locations only, as well as access to the sections of Neaves Road and Flynn Drive within the study area. No private property access is to be permitted to the Whiteman Yanchep Highway, Neaves Road or Flynn Drive. Access to the State Forest area east of the highway is proposed to be retained via interchanges, to driveway standard only to the east.

A utilities strategy was developed to identify utilities within the study area, which include Western Power Distribution & Transmission Lines, Water Corporation Bore Main Pipelines, Telstra Underground Cables, Underground Gas Pipeline, Underground Electrical Cable and Telecommunication Towers. The majority of the services are low risk and should be managed at detailed design stage. High risk services include high voltage power lines north of Neaves Road, which the alignment has been modified to accommodate and a high pressure gas main adjacent to the Neaves Road Realignment.

A water management strategy was developed to manage the risk to the Underground Water Pollution Control Area and the associated water bore infrastructure. The strategy outlines the drainage approach taken for the study, which adopted a water sensitive urban design approach. This meant, even through the Wellhead Protection Zones, an unkerbed cross-section has been assumed with 3m flat bottom swale drains allowing for infiltration.

An Environmental Impact Assessment was undertaken to determine likely environmental approval processes and activities required prior to project approval. This included biological surveys conducted in spring 2014 and spring 2015. An Avoid, Minimise, Mitigate then Offset approach was taken to potential environmental value impacts. Several Bush Forever Sites were unable to be avoided by the proposed road reservation, with impacts totalling 13.9 hectares.

A Heritage Assessment was undertaken to determine if any Aboriginal Sites exist within the proposed highway corridor. Fieldwork for the surveys were conducted in February and May 2017. No known sites are within the survey area. No places that might be defined as sites were found, one place was identified as a potential heritage place but no consensus was reached. Main Roads intends to investigate whether avoidance of potential heritage place at further detailed planning and project development stages. Section 18 approval will be sought prior to construction of the future highway for the entire project corridor.

A Noise Impact Assessment was undertaken to determine the need for any noise mitigation measures required in accordance with Western Australian Planning Commission State Planning Policy 5.4 Road and Rail Transport Noise and Freight Considerations in Land Use Planning. The assessment found noise barriers would not be required to not exceed the limit, but would be required along Neaves Road to not exceed the target noise thresholds.

The majority of the alignment is covered by mining tenements and leases for sand materials. A Basic Raw Materials strategy was prepared based on this being a key risk to the future development of the route. Timing for mining operations, and finish levels at the time the highway is constructed, potentially post mining operations, are currently unknown. This will require further refinement and agreement throughout more detail planning and development stages. Consultation with mining operators has commenced and is anticipated to be ongoing.

A high level risk assessment was undertaken to outline the key risks to the future development of the route. The key risks were identified to be the Priority 1 Underground Water Pollution Control Area and associated water bore infrastructure, Basic Raw Materials, Mining Tenements and Mining Leases along and adjacent to the alignment, staging of development within the East Wanneroo Structure Plan area, the alignment of the East Wanneroo Rail Line and the Strategic Assessment of the Perth and Peel Regions and the required environmental approvals.

Stakeholder and community consultation was undertaken to ensure valuable feedback was received and communication was made at this early planning stage. Stakeholder consultation was undertaken in the form of Stakeholder Reference Group meetings. Community consultation was undertaken in the form of letters to the directly affected community and newsletters to the wider community. Further community consultation will be conducted as part of the MRS Amendment Public Comment Period.

A realignment to Neaves Road was investigated subsequent to community consultation, as shown at Figure 1, with the previous alignment in yellow and the new alignment in red. This realignment aimed to avoid impact to private properties north of Neaves Road, which was a key point of feedback received, as well as a 10m offset to a high pressure gas main. There was an additional impact to environmental values identified by the realignment, including to Bush Forever sites 398 and 399. The original reservation and earthworks impacted 11.5 hectares versus the new proposed realignment impacting 13.9 hectares of Bush Forever. There are similar impacts to wetlands from both the original and proposed alignments. The Neaves Road Realignment was accepted and included in SAPPR.

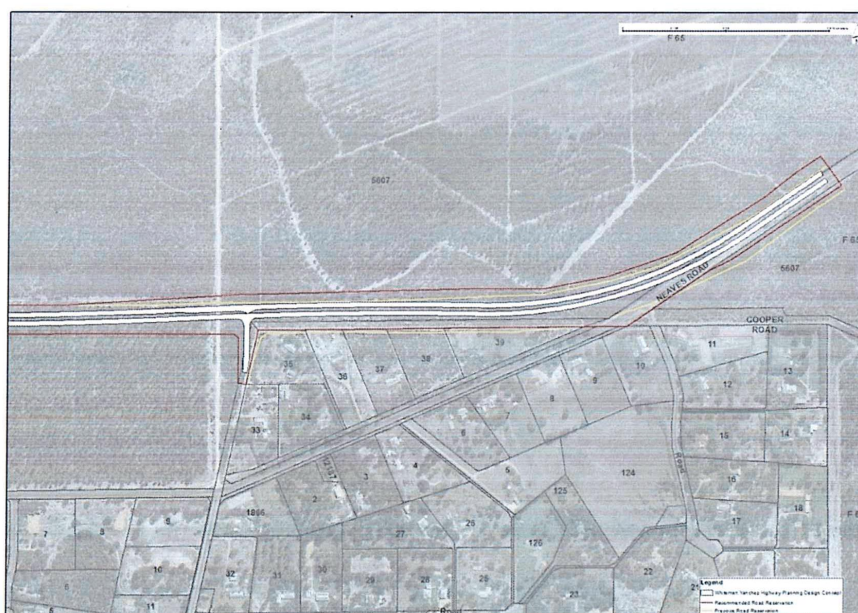


Figure 1 – Neaves Road Realignment

The required road reservation, as shown at Figure 2, was identified through activities conducted as part of this Alignment Definition Study, and is based on the Ultimate Planning Design Concept. The required reservation is now recommended to be taken forward to a Metropolitan Region Scheme Amendment. As most (92%) of the required reservation falls within the Gnaragara Moore River State Forest, an excision from Conservation Estate process through both houses of parliament will also be required.



Figure 2 – Ultimate Planning Design Concept & Recommended Road Reservation

Consultation

Consultation with key stakeholders as part of the Alignment Definition Study has taken place mainly in the form of Stakeholder Reference Group meetings held on the 19th June 2015, 23rd September 2015. The following organisations were consulted with as part of the study:

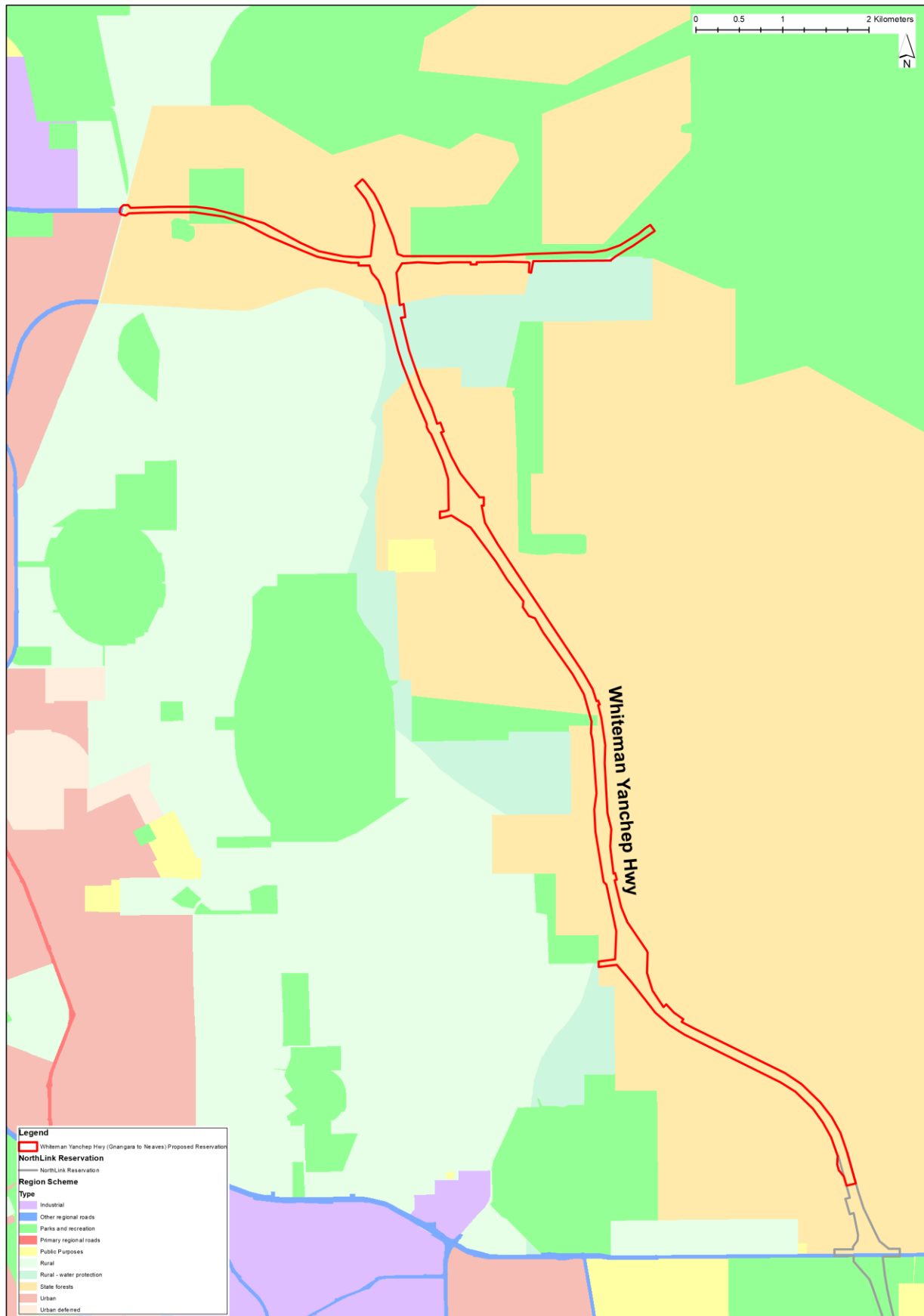
- Department of Transport
- Public Transport Authority
- Department of Planning
- City of Wanneroo
- City of Swan
- Department of Housing
- LandCorp
- Department of Water
- Water Corporation
- Department of Parks & Wildlife
- Office of the Environmental Protection Authority
- Department of Environmental Regulation (distribution only)
- Department of Mines and Petroleum
- Western Power
- Department of Health
- Department of Premier and Cabinet (distribution only)
- ATCO Gas

All stakeholders to date have been supportive of the proposal.

A Briefing to City of Swan Council was held February 2016 and support was confirmed in April 2016.

Community consultation has also been conducted. Letters to directly affected landowners and mining tenement holders were sent 7th November 2016. Subsequently a newsletter was distributed to the wider community. Meetings with mining operators have been held and consultation is expected to be ongoing till construction. Meetings with directly affected land owners were offered, land owners from one property took up this offer. Banksia Grove Residents' Association have provided support for the future highway in a letter dated 23rd January 2017.

A key point of feedback received through community consultation was to avoid private property impacts. Subsequently a realignment of Neaves Road to avoid private property impacts north of Neaves Road was investigated, as discussed above, and included in the final proposal.



Approval Services

PS02-12/17 SAT Reconsideration of Development Application (DA2015/2161) for Restaurant and Rural Use at Lot 506 (272) Old Yanchep Road, Carabooda

File Ref:	DA2015/2161 – 17/342688
Responsible Officer:	Director Planning and Sustainability
Disclosure of Interest:	Nil
Attachments:	5
Previous Items:	PS01-04/17 - SAT Reconsideration of Development Application (DA2015/2161) for Restaurant and Rural Use at Lot 506 (272) Old Yanchep Road, Carabooda - Ordinary Council - 04 Apr 2017 7.00pm PS03-12/16 - Consideration of Development Application for Restaurant and Rural Use at Lot 506 (272) Old Yanchep Road, Carabooda (DA2015/2161) - Ordinary Council - 06 Dec 2016 6.00pm

Moved Cr Fenn, Seconded Cr Aitken

1. That Council pursuant to Section 31 (2) of the State Administrative Tribunal Act 2004 (WA), SETS ASIDE its decisions dated 6 December 2016 and 4 April 2017 and APPROVES the Development Application (DA2015/2161) as shown in Attachment 2 for the Restaurant at Lot 506 (272) Old Yanchep Road, Carabooda, subject to the following conditions:
 - a) This approval only relates to the proposed Restaurant and Rural Use, as shown on Attachment 2. It does not relate to any other development on the site.
 - b) The use of the approved premises shall conform to the City of Wanneroo's District Planning Scheme No. 2 definitions of Restaurant and Rural Use, which are:

Restaurant: means any premises where the predominant use is the preparation of food for sale and consumption within the building or portion thereof. The expression may include the sale of food for consumption off the premises, where Council is of the opinion that it is incidental to the business. The term may include an outdoor eating area which shall be treated as being within the building of the Restaurant. The expression excludes Drive Through Food Outlets.

Rural Use: Means agriculture, horticulture and may include aquaculture, and includes the raising of livestock and the retail sale of the produce of the property where satisfactory access and parking can be provide, and provided that any processing of the produce prior to sale can take place on site.
 - c) Stormwater and any other water run-off from buildings or paved areas shall be collected and contained on site.
 - d) The Restaurant shall be limited to a maximum of 152 customers at any one time.
 - e) The operating hours of the Restaurant shall be limited to between 10.30am – 10.30pm, Monday to Sunday and on Public Holidays.
 - f) The operating hours of the Rural Use shall be limited to between 7.00am – 5.00pm, Monday to Sunday and on Public Holidays.
 - g) The existing vehicle crossover to the subject site shall be modified and constructed to the rural specifications detailed in *Austroads Guide to Road*

Design, prior to the Restaurant use commencing.

- h) The first 10m of the driveway from the street boundary is to be compacted and sealed to the satisfaction of the City.
 - i) Parking areas shall be constructed with suitable materials appropriate to the rural location, to the satisfaction of the City.
 - j) The plan for a fencing and vegetation buffer on the subject site (included in Attachment 2) shall be amended to show the proposed fencing (including the hessian material) on the western boundary extended to the southern boundary, and submitted to the City for approval prior to the Restaurant use commencing. Planting and installation shall be in accordance with the approved plan and thereafter shall be maintained to the satisfaction of the City.
 - k) A notification under Section 70A of the Transfer of Land Act 1893 is to be prepared in a form acceptable to the City and lodged with the Registrar of Titles for endorsement on the Certificate of Title for the subject site, prior to the commencement of works associated with the Restaurant and Rural Use. The notification is to state as follows:

“This lot is located in the Rural Resource zone, where the priority land uses are intensive agriculture, horticulture and basic raw materials extraction. This lot may be affected by odours, noise, spray drift and dust associated with the existing and future operation of these land uses.”
 - l) An acoustic consultant’s report is to be provided for the City’s approval, prior to the commencement of development. This report is to indicate the anticipated sound level measurements for all types of noise associated with the surrounding agricultural land uses. The report must also indicate any specific requirements that are needed to ensure noise levels received by the indoor and outdoor seating areas of the proposed Restaurant comply with the Environmental Protection (Noise) Regulation 1997. Upon approval of that report by the City, any modifications required to the development as a result of its recommendations, shall be made to the City’s satisfaction.
2. ADVISES the State Administrative Tribunal, the applicant and the submitters of this decision.

Substantive Motion as Amended

At the request of Cr Treby and with the consent of the Mover and Seconder the following further amendments were proposed.

Following the words “Attachment 2” in the first line of Item 1. a) of the recommendation, insert the words “inclusive of the written undertaking dated 15 November 2016 pursuant to clause 3.17.2(i) of District Planning Scheme No. 2.” and to add a condition m) following condition l).

1. That Council pursuant to Section 31 (2) of the State Administrative Tribunal Act 2004 (WA), SETS ASIDE its decisions dated 6 December 2016 and 4 April 2017 and APPROVES the Development Application (DA2015/2161) as shown in Attachment 2 for the Restaurant at Lot 506 (272) Old Yanchep Road, Carabooda, subject to the following conditions:
 - a) This approval only relates to the proposed Restaurant and Rural Use, as shown on Attachment 2 inclusive of the written undertaking dated 15 November 2016 pursuant to clause 3.17.2(i) of District Planning Scheme No. 2. It does not relate to any other development on the site.
 - b) The use of the approved premises shall conform to the City of Wanneroo’s District Planning Scheme No. 2 definitions of Restaurant and Rural Use, which are:

Restaurant: means any premises where the predominant use is the preparation

of food for sale and consumption within the building or portion thereof. The expression may include the sale of food for consumption off the premises, where Council is of the opinion that it is incidental to the business. The term may include an outdoor eating area which shall be treated as being within the building of the Restaurant. The expression excludes Drive Through Food Outlets.

Rural Use: Means agriculture, horticulture and may include aquaculture, and includes the raising of livestock and the retail sale of the produce of the property where satisfactory access and parking can be provide, and provided that any processing of the produce prior to sale can take place on site.

- c) Stormwater and any other water run-off from buildings or paved areas shall be collected and contained on site.
- d) The Restaurant shall be limited to a maximum of 152 customers at any one time.
- e) The operating hours of the Restaurant shall be limited to between 10.30am – 10.30pm, Monday to Sunday and on Public Holidays.
- f) The operating hours of the Rural Use shall be limited to between 7.00am – 5.00pm, Monday to Sunday and on Public Holidays.
- g) The existing vehicle crossover to the subject site shall be modified and constructed to the rural specifications detailed in *Austroads Guide to Road Design*, prior to the Restaurant use commencing.
- h) The first 10m of the driveway from the street boundary is to be compacted and sealed to the satisfaction of the City.
- i) Parking areas shall be constructed with suitable materials appropriate to the rural location, to the satisfaction of the City.
- j) The plan for a fencing and vegetation buffer on the subject site (included in Attachment 2) shall be amended to show the proposed fencing (including the hessian material) on the western boundary extended to the southern boundary, and submitted to the City for approval prior to the Restaurant use commencing. Planting and installation shall be in accordance with the approved plan and thereafter shall be maintained to the satisfaction of the City.
- k) A notification under Section 70A of the Transfer of Land Act 1893 is to be prepared in a form acceptable to the City and lodged with the Registrar of Titles for endorsement on the Certificate of Title for the subject site, prior to the commencement of works associated with the Restaurant and Rural Use. The notification is to state as follows:

“This lot is located in the Rural Resource zone, where the priority land uses are intensive agriculture, horticulture and basic raw materials extraction. This lot may be affected by odours, noise, spray drift and dust associated with the existing and future operation of these land uses.”
- l) An acoustic consultant’s report is to be provided for the City’s approval, prior to the commencement of development. This report is to indicate the anticipated sound level measurements for all types of noise associated with the surrounding agricultural land uses. The report must also indicate any specific requirements that are needed to ensure noise levels received by the indoor and outdoor seating areas of the proposed Restaurant comply with the Environmental Protection (Noise) Regulation 1997. Upon approval of that report by the City, any modifications required to the development as a result of its recommendations, shall be made to the City’s satisfaction; and
- m) The proposed sign included in Attachment 2 shall be installed in a visible location within the car parking area to the satisfaction of the City.

2. ADVISES the State Administrative Tribunal, the applicant and the submitters of this decision.

LOST
5/9
4/10

For the motion: Cr Aitken, Cr Coetzee, Cr Fenn, ~~Mayor Roberts~~ and Cr Treby

Against the motion: Cr Cvitan, Cr Driver, Cr Flood, Cr Hayden, Cr Newton, Cr Nguyen, Cr Sangalli, Cr Simpkins and Cr Zappa and Mayor Roberts

Alternative Motion

Moved Cr Newton, Seconded Cr Cvitan

That Council:-

1. Pursuant to Section 31 (2) of the State Administrative Act 2004 (WA) **AFFIRMS** its decision dated 6 December 2016, and **REFUSES** the modified application for a Restaurant and Rural Use at Lot 506 (272) Old Yanchep Road, Carabooda, as shown in Attachment 2, for the following reasons:
 - a) The proposed Restaurant is not considered to be compatible with the surrounding Intensive Agriculture land uses and is therefore not considered to be consistent with the objectives of the Rural Resource zone; and
 - b) The proposed Restaurant may be impacted by the activities associated with the operations of the Intensive Agriculture uses in the surrounding area. Particularly as this application includes half (76) of the restaurant seating outside of the proposed building
2. **ADVISES** the State Administrative Tribunal, the applicant and the submitters of this decision.

CARRIED
13/1

For the motion: Cr Aitken, Cr Coetzee, Cr Cvitan, Cr Driver, Cr Flood, Cr Hayden, Cr Newton, Cr Nguyen, Mayor Roberts, Cr Sangalli, Cr Simpkins, Cr Treby and Cr Zappa

Against the motion: Cr Fenn

Reason for Alternative Motion

Numerous objections to the proposed Restaurant have been received from surrounding landowners in relation to:

- *The incompatibility of the Restaurant use with the surrounding agricultural area; and*
- *Potential complaints from the owners of the Restaurant, regarding noise and odour from surrounding agricultural land uses, which will threaten the viability of these agricultural land uses.*

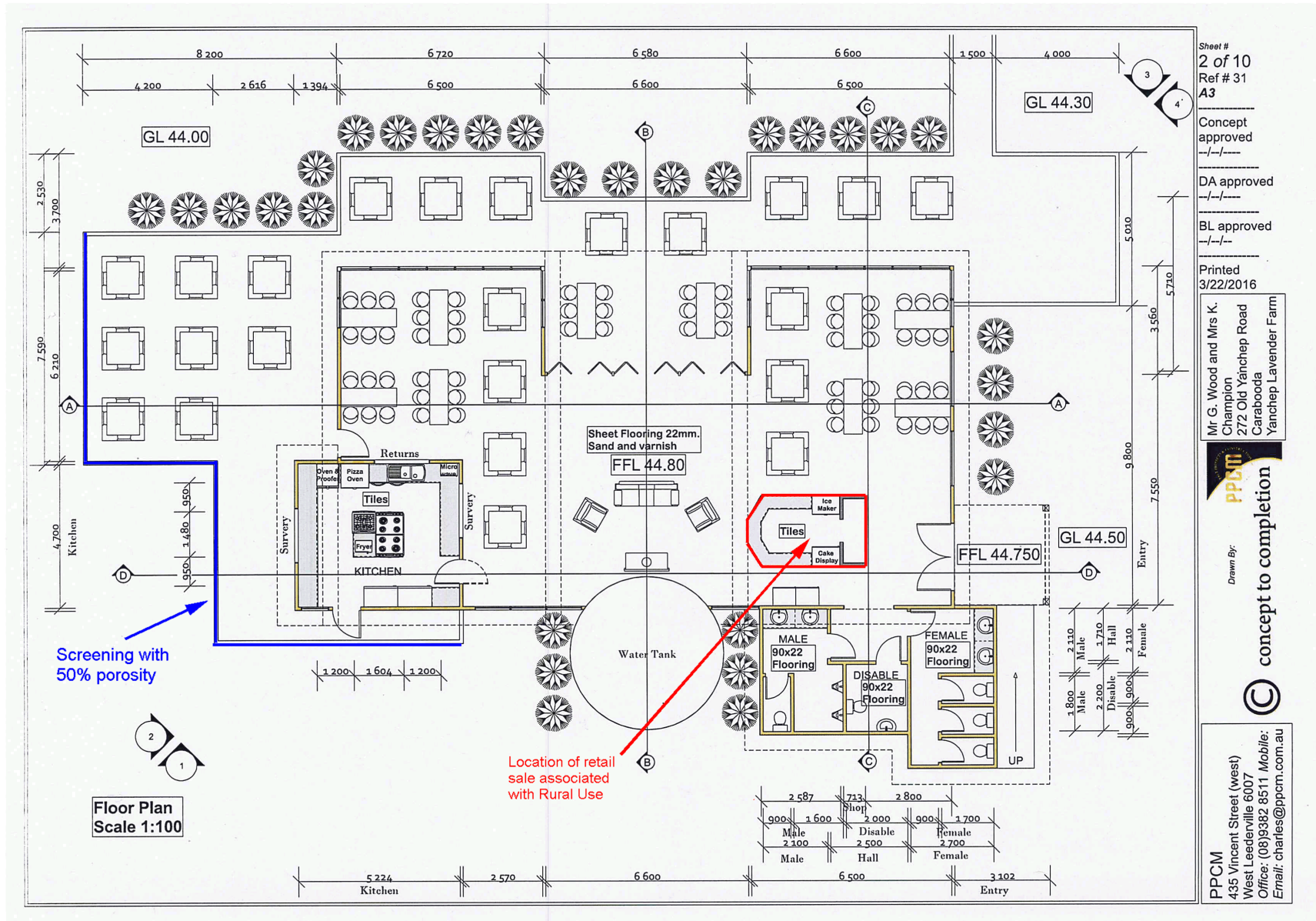
The applicant has provided an environmental consultant report which recommends the provision of a landscaping and fencing buffer on the subject site as a means of addressing the concerns relating to spray drift, dust and odour.

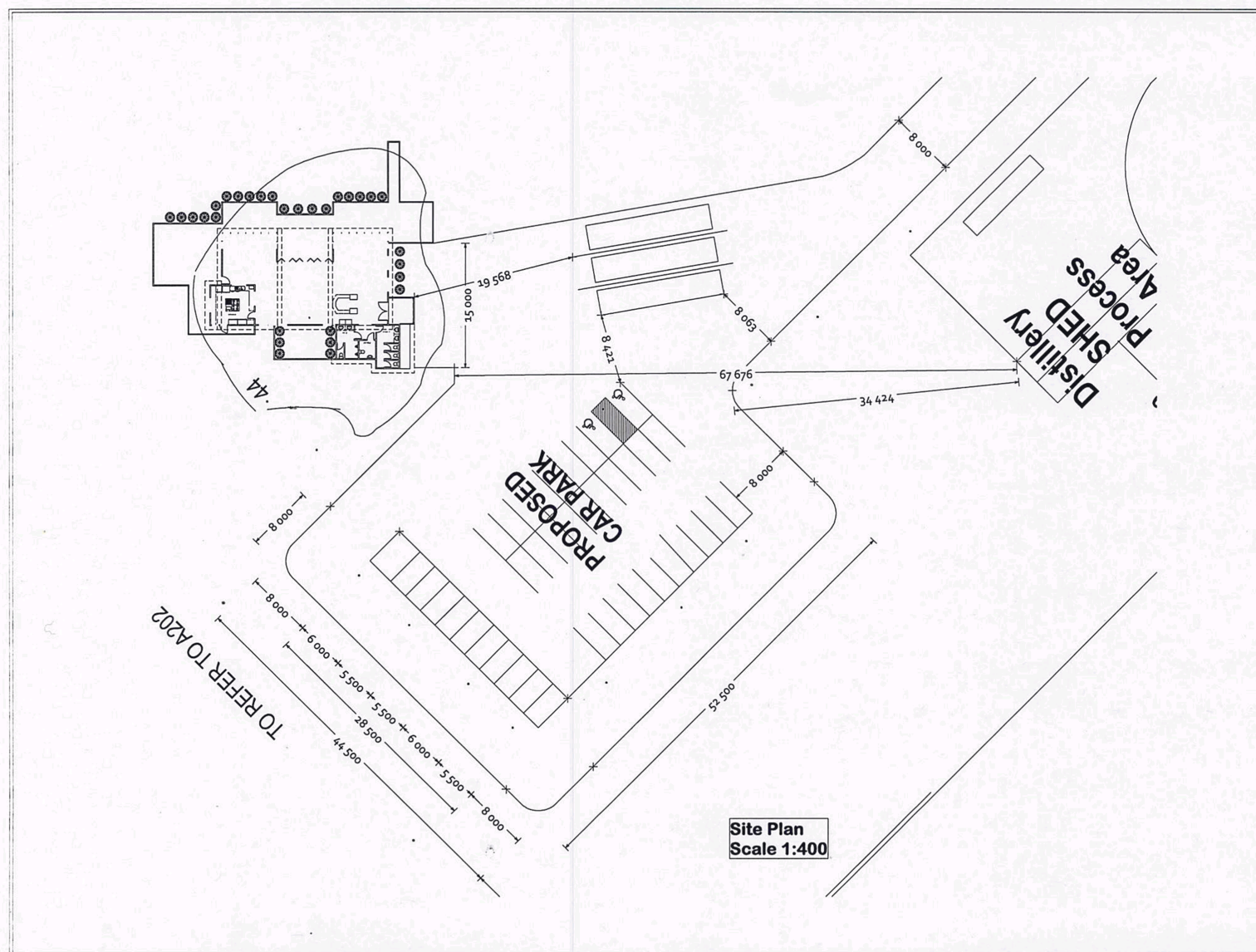
It is considered that the impacts of spray drift, dust and odour would be greatest for the outdoor seating, which represents half (76) of the total seating proposed.

The advice provided by the applicant's environmental consultant confirms that an artificial or natural barrier (such as that proposed by the applicant) may be effective at reducing spray drift potential by between 60% to 90%. Whilst these measures may be able to mitigate the potential impact, they will not be able to fully negate the potential impacts on the restaurant from the surrounding agricultural land uses.

It is not considered that the proposed measures would adequately negate the potential impact of the existing intensive agriculture operations to the east and west of the site and therefore lead to potential future objections which may impact the ongoing operation of the surrounding agricultural uses. On this basis and the fact that is a discretionary use, it is recommended that the application be refused for the above reasons.







Sheet #
10 of 10
Ref # 29
A3

Concept
approved
--/--/----

DA approved
--/--/----

BL approved
--/--/--

Printed
2/23/2016

Mr G. Wood and Mrs K.
Champion
272 Old Yanchep Road
Carabooda
Yanchep Lavender Farm

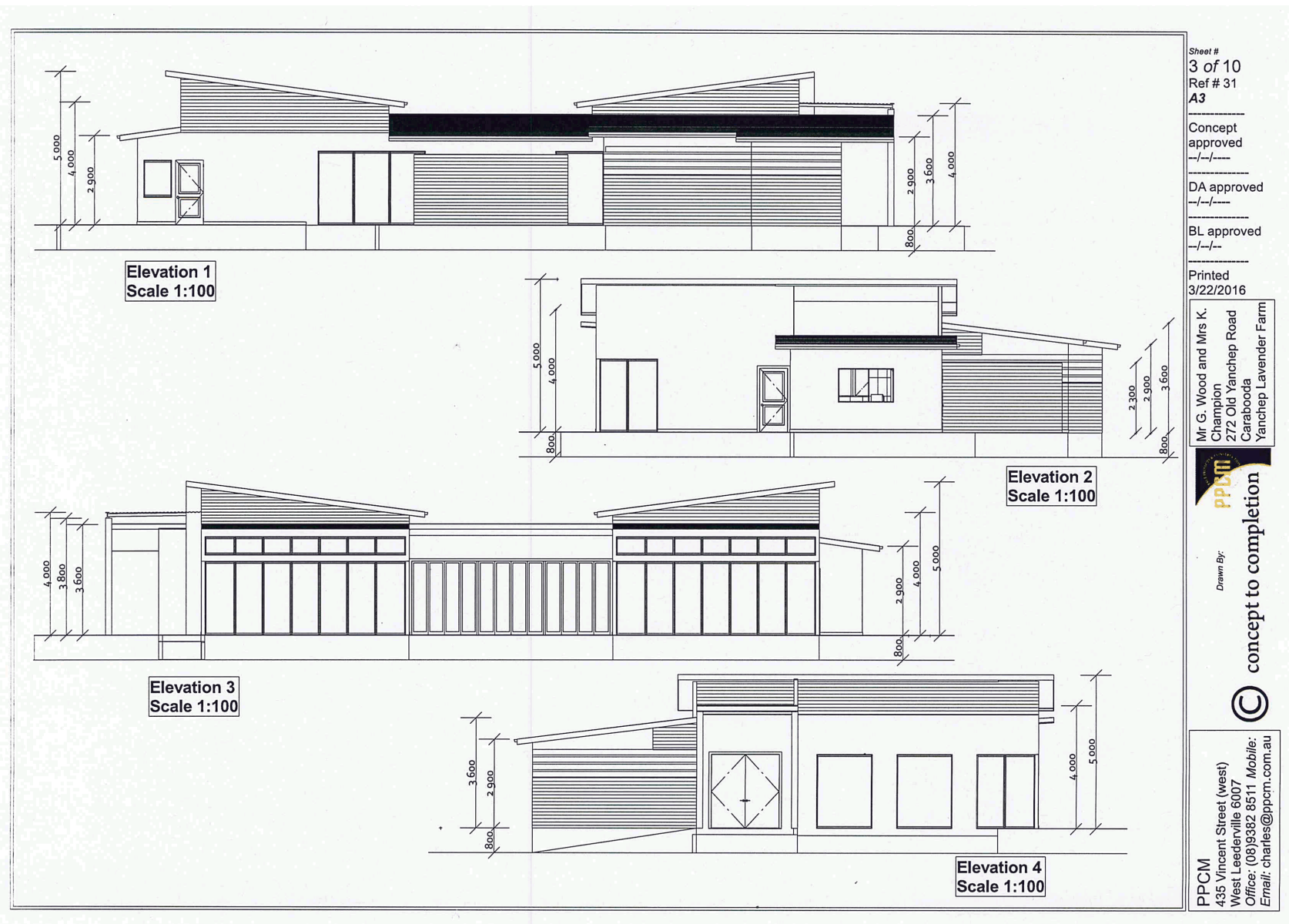


Drawn By:

concept to completion



PPCM
435 Vincent Street (west)
West Leederville 6007
Office: (08)9382 8511 *Mobile:*
Email: charles@ppcm.com.au



Signage to be displayed in a visible location within the car parking area

Warning

Please be aware that you are entering an Intensive Agriculture farming area.

In the normal course of operations during farming there may be noise from farming equipment and also dust generation, the wind may also carry some odours /mist.

Please take action if you have known allergies or if you feel ill notify management immediately.

Entrance to this venue is at your own risk.



YANCHEP LAVENDER FARM VEGETATION BUFFER LANDSCAPE PLAN

October 2017

Document Status				
Rev	Author	Reviewer	Approved	Date
A	Lara Jefferson	Jon Harper		25/09/17
0			Jon Harper	02/10/17

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1.0 INTRODUCTION

The award winning Yanchep Lavender Farm (lavender farm), located at 272 Old Yanchep Road in Carabooda within the City of Wanneroo, is seeking approval to develop a shop and restaurant. The lavender farm is located within the rural resource zone and adjacent landowners have raised concerns that noise, odour or drift may impact visitors to the shop and restaurant.

Potential impacts are likely to be intermittent depending on season, time of day and type of activity. Mitigation strategies can be implemented to prevent potential impacts. One such strategy is to implement a vegetative buffer to prevent impacts from 'drift'. The design of vegetation buffer forms the focus of this report.

Aim: Design a vegetation buffer along the western side of the lavender farm (as shown in Figure 1)



FIGURE 1 VEGETATION BUFFER (HIGHLIGHTED IN GREEN) ALONG WESTERN BOUNDARY OF THE LAVENDER FARM.

The vegetation buffer is 150 m in length (North - South) and 10 m in width (East - West). The western boundary of the buffer has a line of goodbye neighbours (*Acmena smithii*), which will remain as a component of the buffer. Trees also occur on the adjacent property; the canopy of the trees occurs on the western side of the proposed vegetation buffer shown in Figure 1.

2.0 THE GUIDELINES

The design of the vegetation buffer follows the criteria outlined in the *Guidelines for separation of agricultural and residential land uses* (the guideline; Department of Health), which assists in minimising health and nuisance impacts from chemical use and dust.

The guideline states that in order to be effective barriers to spray drift, vegetated buffers must:

- be located as close as practicable to the point of release of the spray;
- be a minimum total width of 40 m, made up of 10 m cleared fire break area either side of a 20 m wide planted area;
- contain random plantings of a variety of tree and shrub species of differing growth habitats, with a spacing of 4 to 5 m between plants;

- include species with long, thin (needle-like) and rough (furry/hairy) foliage which facilitates the more efficient capture of spray droplets and which are fast growing and hardy;
- foliage should be from the base to the crown; mixed plantings of trees may be required to ensure there are no gaps in the lower canopy;
- provide a permeable barrier which allows air to pass through the buffer: A porosity of 0.5 is acceptable i.e., approximately 50 per cent of the screen should be air space;
- have a mature tree height twice the height of the spray release height; and
- have mature height and width dimensions, which do not detrimentally impact upon adjacent crop land.

The guidelines recommend a detailed landscaping plan indicating the extent of the buffer area, the location and spacing of trees and shrubs and a list of tree and shrub species.

3.0 LANDSCAPING PLAN

3.1 EXTENT OF BUFFER AND LOCATION

The buffer area is 150 m long and 10 m wide, as shown in Figure 1, and described in section 1.

3.2 SPECIES LIST

A selection of species took into account criteria in the guidelines, namely:

1. include species with A) long, thin (needle-like) and B) rough (furry/hairy) foliage which facilitates the more efficient capture of spray droplets and which are C) fast growing and hardy;
2. foliage should be from the base to the crown; mixed plantings of trees may be required to ensure there are no gaps in the lower canopy;
3. provide a permeable barrier which allows air to pass through the buffer: A porosity of 0.5 is acceptable i.e., approximately 50 per cent of the screen should be air space;
4. have a mature tree height twice the height of the spray release height; and
5. have mature height and width dimensions, which do not detrimentally impact upon adjacent crop land.

All species, listed in Table 1, are native to the swan coastal plain, and many are representative of the Banksia woodlands, listed as an endangered Threatened Ecological Community under the Commonwealth *Environment Protection and Biodiversity Conservation Act 2000*. The following information sources were utilised:

- Nature Map (Department of Biodiversity, Conservation and Attractions; prev. DPaW)
- *Significant Species of Flora of the Coastal Belt (Quindalup and Spearwood Systems) of the Swan Coastal Plain* (Keighery 1992)
- *Banksia Woodlands of the Swan Coastal Plain – Draft description and threats* (Department of the Environment, na)

In addition, the species were also selected based on their availability from native plant nurseries.

3.3 SPACING AND LOCATION

Existing trees growing adjacent to the buffer are taken into account in the development of the vegetation buffer. Their canopies are approximately 15 m wide (as shown in Figure 1). However, gaps occur in a number of locations. Six trees are proposed for inclusion in the vegetation buffer, located where there are gaps in the adjacent canopy. The trees will be planted to the western side of the buffer, adjacent to the existing planting of *Acmena smithii*.

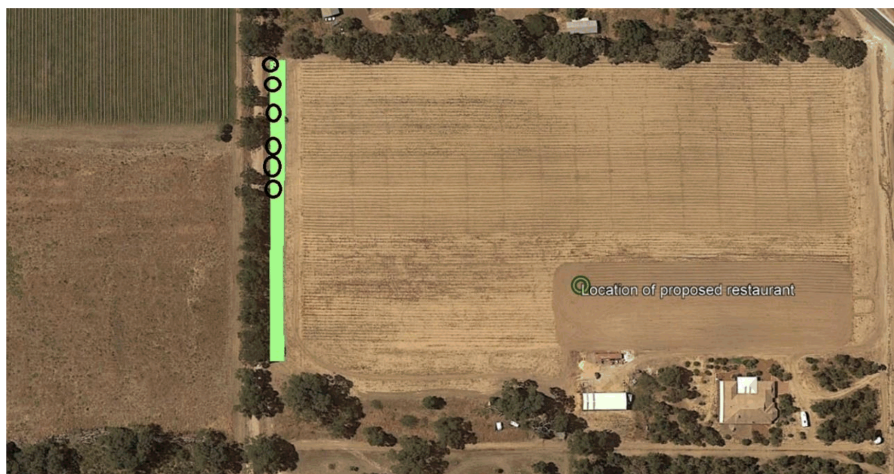


FIGURE 2 LOCATION OF TREE PLANTINGS (BLACK CIRCLE OUTLINE)

The remainder of the vegetation buffer includes a variety of shrub species, which will be randomly planted (Table 1). The five small trees and 66 shrubs will be planted approximately 4 -5 m apart in a random pattern. The species in Table 1 meet the criteria for a vegetation buffer, however, these species can be supplemented with other local native species to increase the diversity of species in the vegetation buffer.

3.4 ESTABLISHMENT PHASE

The native species shall be fast growing and establish over a relatively short period of time. Depending on the size of the plants, time of planting, etc, it is recommended that they are planted in spring, and provided with irrigation and mulch during the first two summer seasons to aid survival and establishment.

3.5 MAINTENANCE PHASE

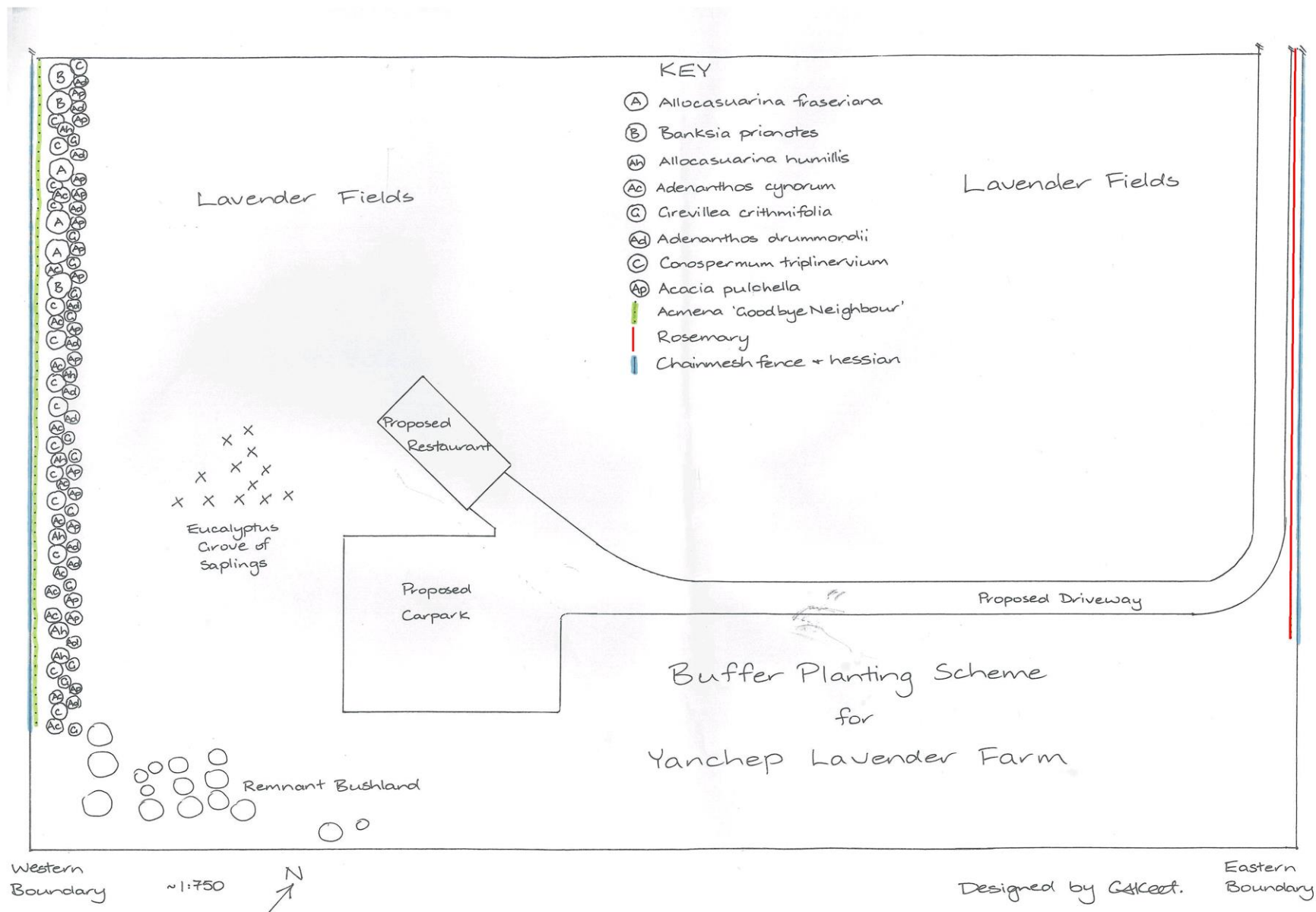
Once established, maintenance includes replacing individuals that have not survived, removing dead branches and pruning some species, such as *Adenanthos cygnorum* (maintains a strong, stable and dense life form if pruned).

TABLE 1 SPECIES LIST

Species	Number of plants	Form	Leaf type	Height	Canopy radius
<i>Allocasuarina fraseriana</i> (western sheoak)	3	Tree	Needles	8 m	3 m
<i>Banksia prionotes</i>	3	Tree	Hairy branchlets. Leaves petiolate, alternate, 150-280 mm mm long, 12-23 mm wide, hairy	5 – 10 m	2.5 m
<i>Allocasuarina humilis</i> (dwarf sheoak)	5	Small tree	Needles	2 m	1.0 m
<i>Adenanthos cygnorum</i> (woolly bush)	12	Shrub	Closely packed, small, hairy leaves	3 m	1.0 m
<i>Grevillea crithmifolia</i>	12	Shrub	Leaves alternate, 12-30 mm long, hairy	0.6 - 2 m	0.5 m
<i>Adenanthos drummondii</i>	12	Shrub	Leaves alternate, 6- 15 mm long, glabrous	0.2 – 1 m	0.5 m
<i>Conospermum triplinervum</i> (tree smokebush)	15	Shrub	Leaves alternate, 30-140 mm long, 3- 20 mm wide, glabrous. Grey, woolly flowers.	1 m	0.5 m
<i>Acacia pulchella</i>	15	Small shrub	Small bipinnate leaves.	0.5 – 1.5 m	0.5 m
TOTAL	77				

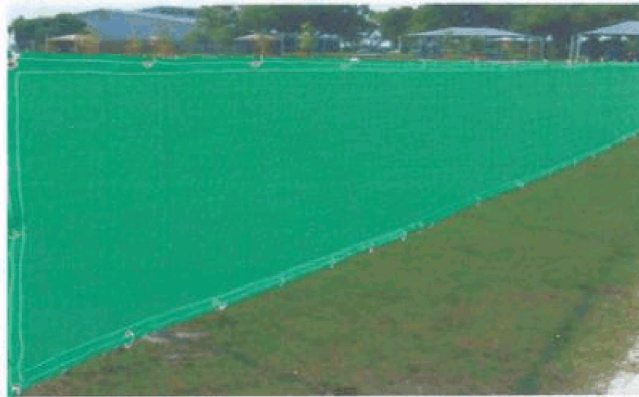
4.0 CONCLUSION

The above landscaping plan has been prepared for the Yanchep Lavender Farm, in accordance with the guidelines. A selection of species have been chosen that have a variety of life forms, yet have general characteristics best suited to mitigate impacts from noise and drift. The species are all native to the local area and thus are expected to be fast growing and establish quickly. Mulch and irrigation over the first two summer seasons are recommended to facilitate their establishment.



Proposed Fencing

- The owners are proposing a 1.8m-high cyclone mesh fence (see below) along the western and eastern boundaries of the subject site;
- The fencing will be covered with a hessian mesh cloth material, which allows 50% air flow;
- This fencing will provide a buffer until the vegetation is established.

**Maintenance of Vegetation and Fencing**

- The subject site is currently fully irrigated;
- New plants will be irrigated with dripper lines to each tree/shrub;
- All plants will have suitable mulch to encourage growth;
- Failed trees/shrubs will be replaced as required;
- Weekly detailed site inspections will be carried out and an inspection log kept on site;
- The fencing will be replaced every two years as required.

PS03-12/17 Consideration of Development Application for a Change of Use to Residential Building at Lot 263 (224) Ocean Drive, Quinns Rocks (DA2016/1848)

File Ref: DA2016/1848 – 17/295106
Responsible Officer: Director Planning and Sustainability
Disclosure of Interest: Nil
Attachments: 3

Moved Cr Treby, Seconded Cr Simpkins

That Council:-

1. Pursuant to Clause 68(2)(b) of the Deemed Provisions of District Planning Scheme No. 2, **APPROVES** the Development Application (DA2016/1848), as shown in Attachment 2, for a Change of Use to a Residential Building at Lot 263 (224) Ocean Drive, Quinns Rocks, subject to the following conditions:

- a) This approval only relates to the proposed Change of Use to a Residential Building, as indicated on the approved plans. It does not relate to any other development on the lot.
- b) The use of the approved premise shall conform to the District Planning Scheme No. 2 definition of a Residential Building which states:

“Residential Building: means a building or portion of a building, together with rooms and outbuildings separate from such building but incidental thereto, such building being used or intended, adapted or designed to be used for the purpose of human habitation:

- *Temporarily by two or more persons; or*
- *Permanently by seven or more persons, who do not comprise a single family, but does not include a hospital or sanatorium, a prison, a hotel, a motel or residential school.”*

- c) This planning approval is time limited and shall expire in 12 months from the date of this approval, unless a further approval is issued by the City. If a new approval has not been issued, the property shall only be used after the expiry date as a Single House.
- d) The maximum number of guests accommodated at any one time shall be 14.
- e) The use shall be operated in accordance with the “Le Chateau d’Ocean Holiday and Short-Term Rental Code of Conduct’, to the satisfaction of the City.
- f) Contact details of the manager of the property shall be provided to the owners and occupiers of the adjoining properties to enable the manager to be contacted in the event of any issues arising from the use of the property. If the property manager receives a complaint, they shall attend in the first instance and advise the City of any complaints received.
- g) The provision of a sufficient area to provide for a minimum of 7 car parking spaces, so as to ensure that there is no parking on the road verge or obstructing of movement onto or along the road, to the satisfaction of the City.

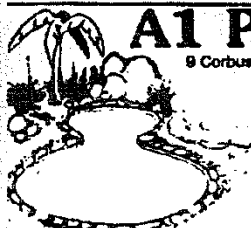
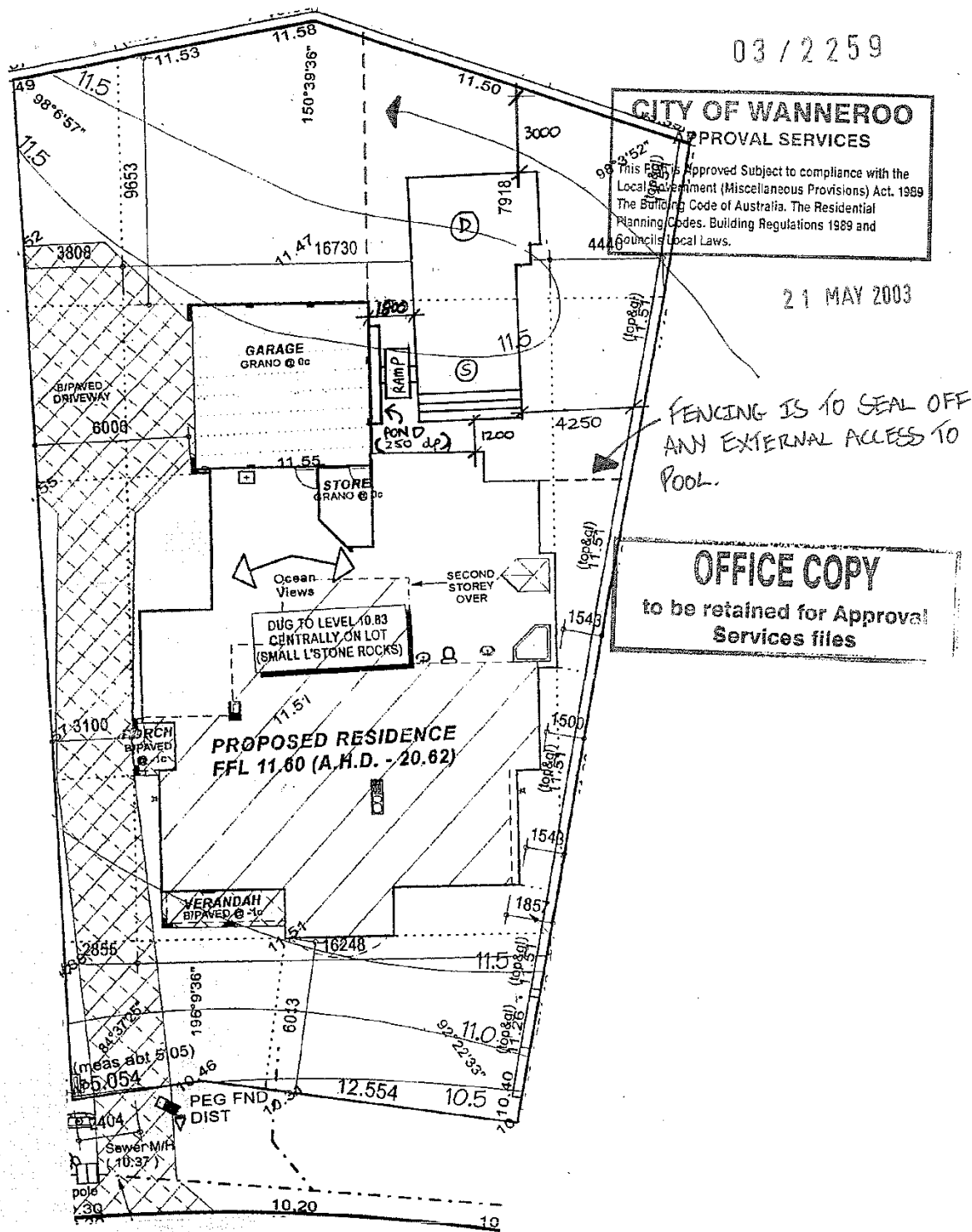
- h) The use shall be implemented in accordance with all recommendations of the Bushfire Management Plan prepared by Bushfire Prone Planning, dated 5 September 2017.
 - i) The approval is valid from the date of the Council's decision and does not retrospectively authorise any other unapproved use of the premises.
- 2. **ENDORSES** Administration's responses to the submission as provided in Attachment 3; and
- 3. **ADVISES** the submitter of its decision.

CARRIED UNANIMOUSLY

CITY OF WANNEROO
DA2016/1848 CHANGE OF USE TO RESIDENTIAL BUILDING
SCHEDULE OF SUBMISSIONS FOLLOWING ADVERTISING
(Advertising Closed 23 February 2017)

No.	Summary of Submission	Administration Comment	Recommendation
1.	Sean Freestone 8 Fairford Way, Quinns Rocks		
1.1	<p>Experienced a number of incidences of anti-social behaviour as a result of the property being used as short term accommodation, including:</p> <ul style="list-style-type: none"> • Verbal abuse by drunk and disorderly tenants; • Tenants jumping from the boundary wall into the pool; • Swearing, screaming and yelling from tenants, which can include between 30 and 40 people; • Smoking and drug use; • Excessively loud music during the day and night until early in the morning; and • Live music from a band playing at a birthday party with up to 30 people. 	<p>Anti-social behaviour is not a matter for the City, and should be reported to the police, as the City does not have the ability to take action against unruly guests.</p> <p>To address these issues, however, the applicant has provided a management plan as outlined in the 'Draft LPP 4.21' section of this report. This management plan includes a number of provisions to minimise and prevent noise and anti-social behaviour impacts on adjoining properties, including:</p> <ul style="list-style-type: none"> • Guests must limit noise between the hours of 10pm and 7am on Monday to Saturday, and 10pm and 9am on Sunday and public holidays, to minimise any impact on the occupiers of neighbouring properties. The management plan also identifies that guests are to ensure noise is compliant with the <i>Environmental Protection (Noise) Regulations 1997</i>, and that excessive noise which disturbs neighbouring properties is prohibited.; • The property is not to be used for parties, functions, or commercial event, or as a 'party house', including use for 'hens' parties, 'bucks' parties, or 'schoolies' events; • The use of the balcony, swimming pool, and outdoor garden area is not permitted between between the 	<p>Imposition of a condition requiring the implementation of the management plan.</p>

No.	Summary of Submission	Administration Comment	Recommendation
		<p>hours of 10pm and 7am on Monday to Saturday, and 10pm and 9am on Sunday and public holidays;</p> <ul style="list-style-type: none"> • The use of amplified music in the swimming pool area is prohibited at any time, as is the use of glassware and diving off structures; and • No smoking is permitted inside or outside of the property. <p>In the event of non-compliance with the terms of the management</p> <p>It should be noted that in the event of antisocial behaviour, including excessive noise, the Police should be contacted and Administration should be notified in writing of the issue. Substantiated complaints will be taken into consideration by Administration when the applicant proposes to renew the planning approval.</p>	
1.2	This is a quiet residential area, but due to people holidaying at the property it is treated as a party house with large numbers attending.	<p>Noted.</p> <p>Refer to response 1.1 above.</p>	No modification required.



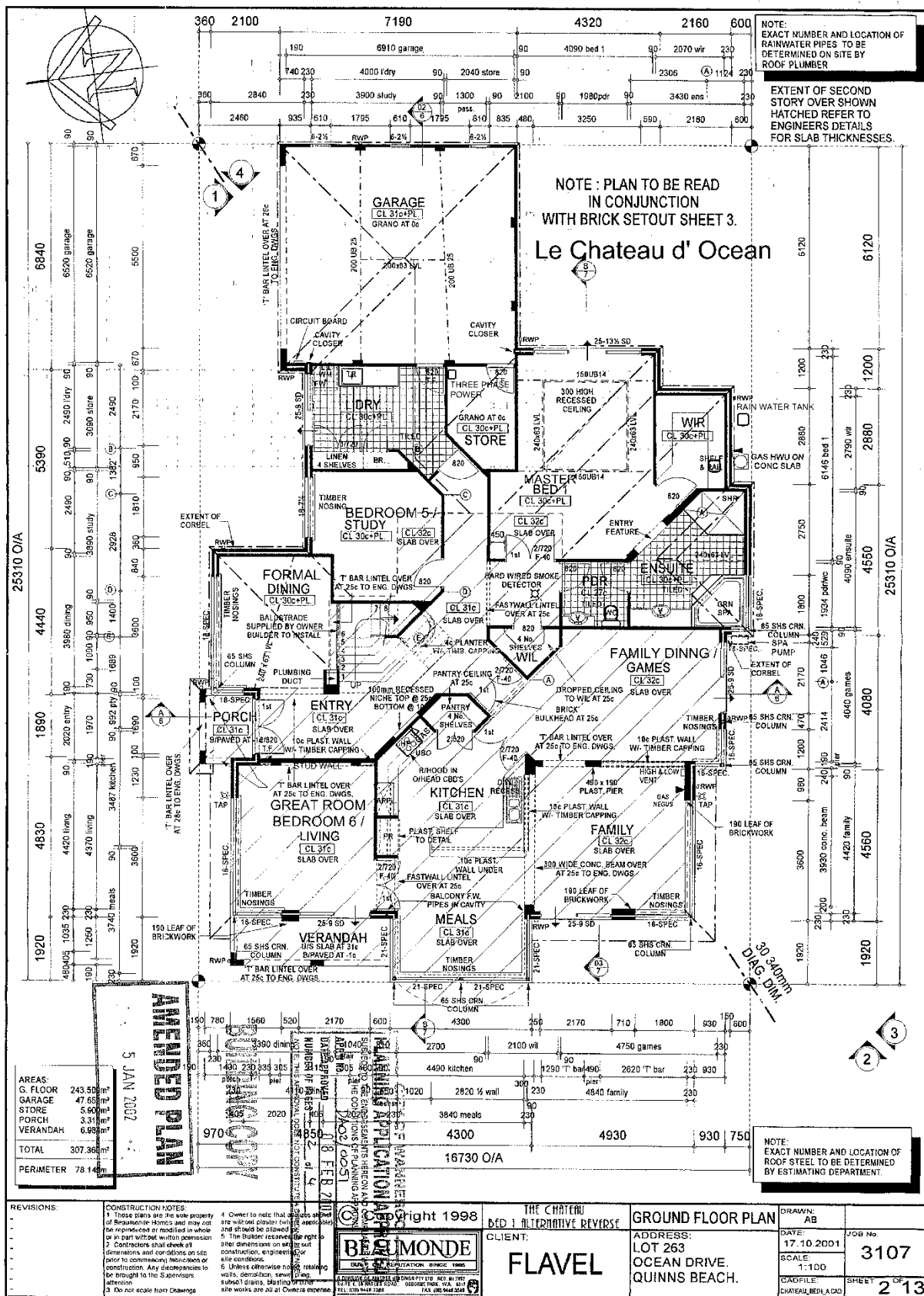
NO 1 FOR QUALITY SERVICE AND PRICE

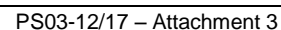
A1 POOLS

9 Corbusier Place, Belconnen 6021
Vic Rapoff
Manager
Ph: 0344 7748
A/n: 0248 7882
Mobile: 0418 823 077
Fax: 0240 1237

Name: **F L A V E L**

Address: 224 OCEAN DVE
QUINNS BEACH





PS04-12/17 Refusal of Proposed Amendment to Local Development Plan - Zamia Rise Dunes, Yanchep

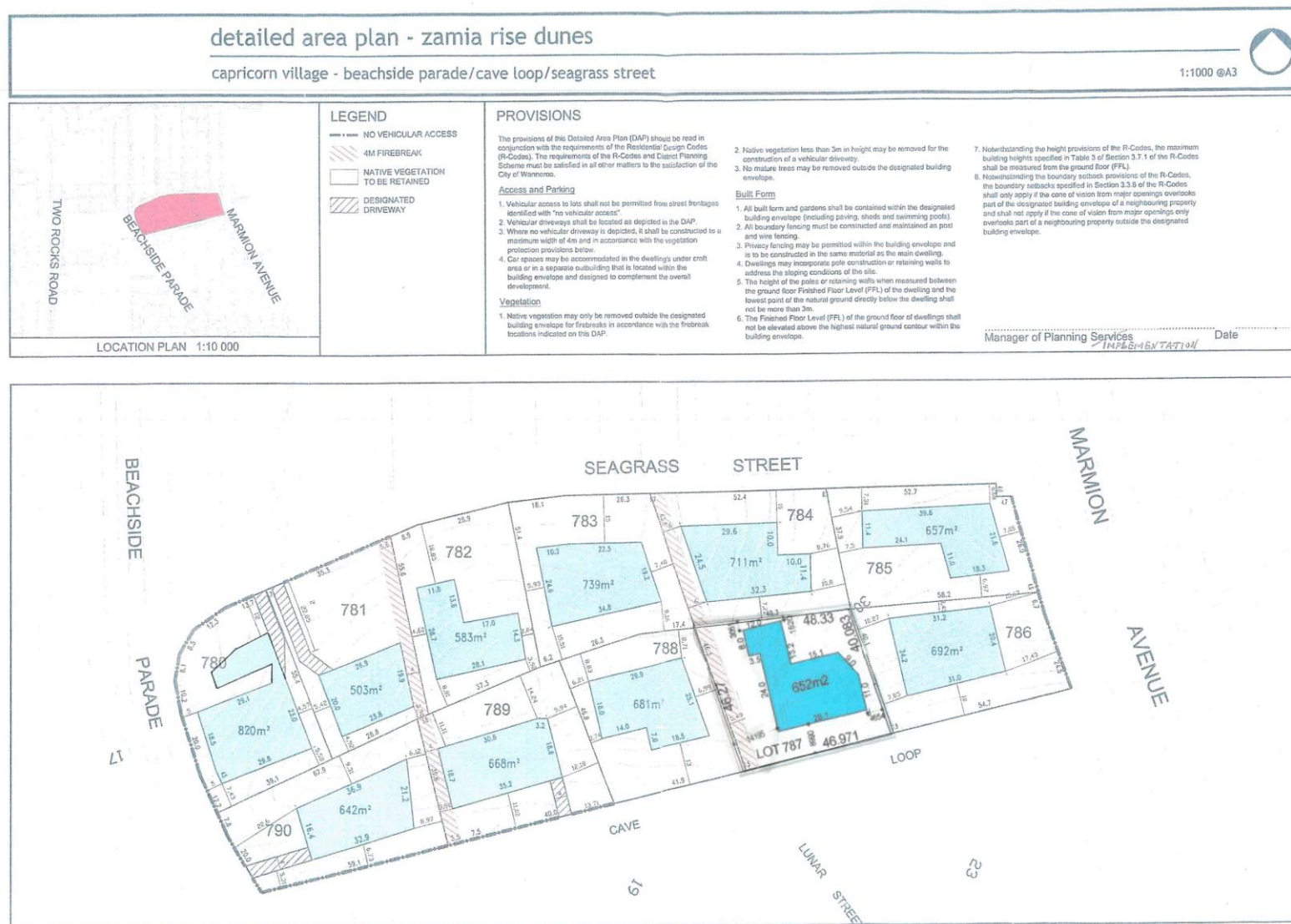
File Ref: 3389-D2 – 17/348782
Responsible Officer: Director Planning and Sustainability
Disclosure of Interest: Nil
Attachments: 6

Moved Cr Treby, Seconded Cr Simpkins

That Council:-

1. Pursuant to subclause 52(1)(a) of the Deemed Provisions of the City of Wanneroo District Planning Scheme No. 2 **REFUSES** the Local Development Plan Amendment, as shown in Attachment 2, for the following reasons:
 - a) A large area of vegetation has been cleared outside the existing building envelope, which is contrary to the purpose of the Local Development Plan and the provisions of Approved Structure Plan No. 44 – Capricorn Coastal Village, Yanchep;
 - b) The proposed extension of the building envelope is considered to adversely impact the amenity of the rear adjoining property.
2. In accordance with LPP 4.14, **ADVISES** the City's Compliance Services to instruct the owners of the subject site to remove the existing structures outside of the existing building envelope and revegetate the area which has been cleared, to the satisfaction of the City.

CARRIED UNANIMOUSLY



Assets

Asset Operations & Services

AS01-12/17 2017/18 Bus Shelter Installation Program and Petition PT01-10/17 Installation of Bus Shelter at Stop 21902 on Kingsway

File Ref:	7242 – 17/370370
Responsible Officer:	Director Assets
Disclosure of Interest:	Nil
Attachments:	18

Moved Cr Aitken, Seconded Cr Cvitan

That Council:-

1. SUPPORTS the ongoing practice of giving priority to installing bus shelters at sites that meet the Public Transport Authority's Bus Shelter Grant Scheme;
2. DOES NOT SUPPORT the installation of a bus shelter at bus stop no 21902 Kingsway after Regency Avenue;
3. ADVISES the petition organiser of Council's decision; and
4. AUTHORISES the Director Assets to:
 - a) consider the outcome of community consultation in relation to bus stop 23351 and approve the installation of bus shelters in the priority order noted in the report; and
 - b) identify further bus stops and approve their inclusion in the 2017/18 Bus Shelter Installation Program, should the Public Transport Authority not support the installation of shelters at any of the bus stop numbers 18208, 25558 and 18156.

Motion to Amend

Moved Cr Zappa, Seconded Cr Hayden

That the recommendation be amended to delete the words "DOES NOT" in recommendation 2. and insert the words "subject to Council's consideration and allocation of \$11,000 additional funding to PR-1055 Bus Shelter Installation Program as part of 2017/18 mid-year budget review" at the end of the sentence.

2. ~~DOES NOT~~ SUPPORTS the installation of a bus shelter at bus stop no 21902 Kingsway after Regency Avenue, *subject to Council's consideration and allocation of \$11,000 additional funding to PR-1055 Bus Shelter Installation Program as part of 2017/18 mid-year budget review.*

CARRIED UNANIMOUSLY

Substantive Motion as Amended

That Council:-

1. SUPPORTS the ongoing practice of giving priority to installing bus shelters at sites that meet the Public Transport Authority's Bus Shelter Grant Scheme;

2. **SUPPORTS** the installation of a bus shelter at bus stop no 21902 Kingsway after Regency Avenue, subject to Council's consideration and allocation of \$11,000 additional funding to PR-1055 Bus Shelter Installation Program as part of 2017/18 mid-year budget review;
3. **ADVISES** the petition organiser of Council's decision; and
4. **AUTHORISES** the Director Assets to:
 - a) consider the outcome of community consultation in relation to bus stop 23351 and approve the installation of bus shelters in the priority order noted in the report; and
 - b) identify further bus stops and approve their inclusion in the 2017/18 Bus Shelter Installation Program, should the Public Transport Authority not support the installation of shelters at any of the bus stop numbers 18208, 25558 and 18156.

The substantive motion as amended was put and

CARRIED UNANIMOUSLY

Assets Maintenance

Mayor Roberts declared an impartiality interest in Item AS02-11/17 due to being a patron and a member of the Sun City Yacht Club.

Cr Coetzee declared an impartiality interest in Item AS02-11/17 due to being a member of the committee of the Sun City Yacht Club.

Cr Aitken declared an impartiality interest in Item AS02-11/17 due to being a social club member of the Sun City Yacht Club.

AS02-12/17 Nominations for the Department of Transport's Two Rocks Reference Group

File Ref:	1702 – 17/375158
Responsible Officer:	Director Assets
Disclosure of Interest:	Nil
Attachments:	1

Moved Cr Newton, Seconded Cr Zappa

Nominations for Delegate

Nomination in writing received prior to the meeting from Cr Sangalli for delegate.

Nomination in writing received prior to the meeting from Cr Aitken for delegate.

There being two nominations for the position of delegate a vote was conducted by show of hands and Cr Sangalli was endorsed as the successful nominee.

Nominations for Deputy Delegate

Nomination from the floor from Cr Aitken for deputy delegate.

As the only nominee, Cr Aitken was endorsed as the successful nominee.

That Council:-

1. **SUPPORTS** the establishment of a Reference Group which will guide long-term planning and progress a vision for the redevelopment of the Two Rocks Marina, including consideration of seagrass wrack accumulation and coastal erosion issues adjacent to the marina;
2. **ACCEPTS** Department of Transport's request for the nomination of Mayor Tracey Roberts as Chair of the Two Rocks Reference Group;
3. **NOMINATES** Cr Sangalli, North Coast Ward Councillor as a member of the Two Rocks Reference Group;
4. **NOMINATES** Cr Aitken, North Coast Ward Councillor as a deputy for the Elected Member nominated in Item 3 above as a member of the Two Rocks Reference Group; and
5. **NOMINATES** the Chief Executive Officer or his nominated delegate(s), as member(s) of the Two Rocks Reference Group.

CARRIED UNANIMOUSLY**Community & Place****Community Facilities**

Cr Aitken declared an impartiality interest in Item CP03-12/17 due to being a member of Atlantis Productions and a member of the Two Rocks Community Recreation Centre.

CP01-12/17 Electronic Scoreboard Installation - Budget Re-allocation

File Ref:	28029 – 17/394059
Responsible Officer:	Director Community and Place
Disclosure of Interest:	Nil
Attachments:	3

Moved Cr Hayden, Seconded Cr Cvitan**That Council:-**

1. **NOTES** the successful Federal Government Stronger Communities Program grant applications by the Wanneroo Amateur Football Club and the Kingsway Football Club for the purchase of electronic scoreboards for installation at the Wanneroo Showgrounds and the Kingsway Regional Sporting Complex, respectively;
2. **APPROVES BY ABSOLUTE MAJORITY** the unbudgeted expenditure listed in the following table, pursuant to Section 6.8(1)(b) of the Local Government Act 1995 for the Installation and Connection of Electronic Scoreboards at the Wanneroo Showgrounds and Kingsway Regional Sporting Complex :

Description	GL Account/ Capital Project	Current Budget	Adjusted Budget
Installation and Connection of Electronic Scoreboards at the Wanneroo Showgrounds and Kingsway Regional Sporting Complex.	PR-TBA	\$0	\$17,000

3. **APPROVES BY ABSOLUTE MAJORITY** the following budget amendment, pursuant to Section 6.8(1)(b) of the Local Government Act 1995 to address the Installation and Connection of Electronic Scoreboards at the Wanneroo Showgrounds and Kingsway Regional Sporting Complex, noting that a new Project Number will be created upon Council endorsement;

Project Number	From	To	Description
PR-4054*	\$17,000		Passive Park Elements Program Active Reserve Master Plan
PR- TBA		\$17,000	Installation and Connection of Electronic Scoreboards at the Wanneroo Showgrounds and Kingsway Regional Sporting Complex.

4. **NOTES** that Administration will seek reimbursement, where appropriate, from the Wanneroo Amateur Football Club and the Kingsway Football Clubs' Federal Government Stronger Communities Program grants for the costs incurred by the City of Wanneroo relating to the installation of the scoreboard frame and power connection at the Wanneroo Showgrounds and Kingsway Regional Sporting Complex.

CARRIED BY ABSOLUTE MAJORITY
14/0

**Administrative error in Agenda and Project Number corrected in recommendation 3.*

Community Services

CP02-12/17 Amendments to City's Fees and Charges Schedule for HACC Services

File Ref: 26263 – 17/381244
 Responsible Officer: Director Community and Place
 Disclosure of Interest: Nil
 Attachments: 1

Moved Cr Hayden, Seconded Cr Cvitan

That Council **APPROVES BY ABSOLUTE MAJORITY** the amendment to the Fees and Charges Schedule applicable to the delivery of Home and Community Care services in accordance with Attachment 1 that forms part of this report.

CARRIED BY ABSOLUTE MAJORITY
14/0

Schedule of Fees and Charges 2017/2018



Description	Basis of Charge	Statutory Fee "S"	2017/18 Fee Range	Proposed Fee Range	GST Y/N
Funded Services					
Community Services (non HACC clients)					
Community Transport Service - Group Bus Transport	Per client per one way trip		\$2.50 Cost Recovery	\$2.50 to Cost Recovery	N
Community Transport Service - Program Attendance	Per client per one way trip		\$2.50 Cost Recovery	\$2.50 to Cost Recovery	N
Prepared Meal within Community	Per Meal		Cost of Meal	Not Required - Delete	N
HACC Program					
Shopping Transport Service	Per client per one way trip - Level 1		\$2.50	\$0 to \$2.50	N
	Per client per one way trip - Level 2		Nil	\$0 to cost recovery	N
Transport Service (CBDC or Group bus/vehicle)	Per client per one way trip - Level 1		\$2.50	\$0 to \$2.50	N
	Per client per one way trip - Level 2		Nil	\$0 to cost recovery	N
Social Support (One-on-One)	Per Hour Per Client (up to max \$71 per week for Level 1)		\$8.00	\$0 to \$8.00	N
	Per Hour Per Client (up to max \$162 per week for Level 2)		Nil	\$0 to cost recovery	N
Social Support (Group)	Client per activity (up to max \$71 per week for Level 1)		\$8.00	\$0 to \$8.00	N
	Client per activity (up to max \$162 per week for Level 2)		Nil	\$0 to cost recovery	N
Personal Care	Per Hour Per Client (up to max \$71 per week for Level 1)		\$8.00	\$0 to \$8.00	N
	Per Hour Per Client (up to max \$162 per week for Level 2)		Nil	\$0 to cost recovery	N
Respite	Per Hour Per Client (up to max \$71 per week for Level 1)		\$8.00	\$0 to \$8.00	N
	Per Hour Per Client (up to max \$162 per week for Level 2)		Nil	\$0 to cost recovery	N
Domestic Assistance	Per Hour Per Client (up to max \$71 per week for Level 1)		\$8.00	\$0 to \$8.00	N
	Per Hour Per Client (up to max \$162 per week for Level 2)		Nil	\$0 to cost recovery	N
Other Food Services (Food preparation)	Per Hour Per Client (up to max \$71 per week for Level 1)		\$8.00	\$0 to \$8.00	N
	Per Hour Per Client (up to max \$162 per week for Level 2)		Nil	\$0 to cost recovery	N
Centre Based Day Care (excludes Transport & Meal) Attendance Fee	Client per activity (up to max \$71 per week for Level 1)		\$8.00	\$0 to \$8.00	N
	Client per activity (up to max \$162 per week for Level 2)		Nil	\$0 to cost recovery	N
Home Delivered Frozen Meals Service	Per meal per client		\$7.00	\$7.00	N
Centre Based Day Centre Meals	Per Meal per client		Cost of meal	\$0 to \$ 6.00	N
Cancellation Fees - applies to all services types as listed above	Less Than 24 Hours Notice (except in specific circumstances)		As per above charges	\$0 to cost recovery depending on service type	N
Private Fee Paying Customers accessing HACC Services	Based on cost recovery per hour or activity		Nil	\$0 to cost recovery	N

HACC Program *All HACC funded service providers are required to use the WA HACC Standard Fees Schedule. A client's financial inability to pay fees cannot be used as a basis for refusing support to people who are assessed as requiring HACC support. (HACC Program WA HACC Fees Policy July 2017)

Place Activation

CP03-12/17 Community Funding Program October 2017 Round

File Ref:	19964 – 17/377031
Responsible Officer:	Director Community and Place
Disclosure of Interest:	Nil
Attachments:	2

Moved Cr Hayden, Seconded Cr Cvitan

That Council:-

- 1. APPROVES \$2,375.00 to the Australia Day Council of Western Australia Inc for a Community Citizenship Forum via Community Development Funding on 17 April 2018 at the Girrawheen Hub, Girrawheen SUBJECT to receipt of written confirmation of financial support by the Office of Multicultural Interests;**
- 2. APPROVES \$1,656.00 to Atlantis Productions Incorporated for the Flashback Reunion and Carnival via Community Development Funding at the Yanchep Two Rocks Community Recreation Association 40th Anniversary Family Fun Day, Charnwood Park, Two Rocks on a date yet to be confirmed by the Yanchep Two Rocks Community Recreation Association SUBJECT to receipt of a renewed Certificate of Public Liability Insurance and new event date excluding 10 and 11 March 2018 in consideration of the City's Retro Rewind Event at Yanchep National Park on 10 March 2018;**
- 3. APPROVES \$3,000.00 to the Recreational Trail Bike Riders Association of Western Australia Inc for the Friends of Pinjar Project via Community Development Funding at the Pinjar Off Road Vehicle Area, Nowergup Road from 1 March 2018 to 31 May 2018 SUBJECT to receipt of a satisfactory Risk Management Plan, Certificate of Public Liability Insurance and a City of Wanneroo Event Application approval for the Come and Try Day component of the project;**
- 4. APPROVES \$1,760.00 to the Challenge Brass Band for the Autumn Concert at the Wanneroo Community Centre including musical workshops at the Wanneroo Recreation Centre via Community Event Funding from 14 April 2018 to 5 May 2018 SUBJECT to a City of Wanneroo Event Application approval;**
- 5. APPROVES \$5,000.00 to the Vietnamese Community in Australia – WA Chapter for the TET New Year 2018 Celebrations at the Wanneroo Showgrounds via Community Event Funding on 23 to 24 February 2018 SUBJECT to receipt of Event-specific Certificate of Public Liability Insurance and City of Wanneroo Event Application approval;**
- 6. APPROVES \$8,070.90 to the Yanchep Two Rocks Community Recreation for the Yanchep Two Rocks Community Recreation 40th Anniversary Family Fun Day at Charnwood Park, Two Rocks via Community Event Funding on a date yet to be confirmed SUBJECT to a new event date excluding 10 and 11 March 2018 in consideration of the City's Retro Rewind Event at Yanchep National Park on 10 March 2018 confirmation of receipt of other income sources (Lotterywest and Developers) and City of Wanneroo Event Application approval;**

7. **APPROVES \$5,000.00 to Nature Play WA for Cubby Town 2 at Yanchep National Park, Yanchep via Community Event Funding on 28 April 2018 SUBJECT to receipt of a renewed Certificate of Public Liability Insurance and a City of Wanneroo Event Application approval;**
8. **APPROVES \$1,900.00 to the Royal Australian Air Force Association (WA Division) Inc for an ANZAC Day Memorial Service and Sausage Sizzle on 25 April 2018 and a Remembrance Day 100th Anniversary Memorial Service and Sausage Sizzle on 11 November 2018 at the Cambrai Memorial Village War Memorial, Merriwa via Hallmark Event Funding SUBJECT to receipt of a renewed Certificate of Public Liability Insurance, a City of Wanneroo Event Application approval and satisfactory acquittal of 2017 Hallmark Event Funding;**
9. **APPROVES \$8,673.00 to the Quinns Rocks RSL Sub Branch for an ANZAC Day Commemorative Service and Gunfire Breakfast on 25 April 2018, a Vietnam Veteran's Day Service and Lunch on 18 August 2018 and a Remembrance Day Service and Lunch on 11 November 2018 at Tapping Way, Quinns Rocks via Hallmark Event Funding SUBJECT to receipt of a renewed Certificate of Public Liability Insurance, a City of Wanneroo Event Application approval and satisfactory acquittal of 2017 Hallmark Event Funding;**
10. **APPROVES \$3,549.00 to the Yanchep Two Rocks RSL Sub Branch for an ANZAC Day Commemorative Service and Gunfire Breakfast on 25 April 2018, a Vietnam Veterans Day Commemorative Service on 18 August 2018, a Merchant Navy Day Commemorative Service on 3 September 2018, a Battle for Australia Day Commemorative Service on 6 September 2018 and a Remembrance Day Commemorative Service on 11 November 2018 at the Yanchep National Park Memorial and the Yanchep Sport and Social Club, Yanchep via Hallmark Event Funding SUBJECT to receipt of further supporting budget information and documentation, a renewed Certificate of Public Liability Insurance, a City of Wanneroo Event Application approval and satisfactory acquittal of 2017 Hallmark Event Funding; and**
11. **APPROVES \$3,500.00 to the Wanneroo Scout Group for an Australia Day Breakfast in the Park 2018 on 26 January 2018 at the Wanneroo Showgrounds, Wanneroo via Hallmark Event Funding SUBJECT to receipt of further supporting budget information and documentation, a City of Wanneroo Event Application approval and agreement to consult with the City's Diversity Officer (Aboriginal & CaLD) to ensure the proposed Aboriginal activity is coordinated with cultural integrity.**

CARRIED UNANIMOUSLY

Corporate Strategy & Performance**Business & Finance****CS01-12/17 Annual Audited Financial Statements for the period ended 30 June 2017**

File Ref:	1870 – 17/407394
Responsible Officer:	Director Corporate Strategy and Performance
Disclosure of Interest:	Nil
Attachments:	1

Moved Cr Zappa, Seconded Cr Coetzee**That Council:-**

1. **ADOPTS the Annual Audited Financial Report for the City of Wanneroo for the year ended 30 June 2017 as detailed in Attachment 1 as recommended by Audit and Risk Committee; and**
2. **ADOPTS the Independent Auditor's Report from Grant Thornton as detailed in Attachment 1.**

CARRIED UNANIMOUSLY



2016 | 2017

FINANCIAL STATEMENTS

City of Wanneroo

General Purpose Financial Statements for the year ended 30 June 2017

Contents	Page
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3. Primary Financial Statements:	
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- Statement of Comprehensive Income (by Program)	4
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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for the City of Wanneroo.
 - (ii) All figures presented in these financial statements are presented in Australian Currency.
 - (iii) These financial statements were adopted by Council on 5 Dec 2017.
Council has the power to amend and reissue the financial statements.
-

City of Wanneroo

General Purpose Financial Statements for the year ended 30 June 2017

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across Western Australia are required to present a set of audited Financial Statements to their Council and Community in accordance with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer as (i) presenting fairly the Council's financial results for the year and (ii) complying with Australian Accounting Standards and the *Local Government Act 1995*.

What you will find in the Financial Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2017.

The format of the Financial Statements is standard across all Western Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the Western Australian Local Government Accounting Manual.

The Financial Statements incorporate six "primary" financial statements:

1. A Statement of Comprehensive Income (by Nature or Type)

A summary of Council's financial performance for the year, listing all income and expenses by their "nature or type". This allows users of the financial statements to identify a break up of operating revenues and expenses for the year.

2. A Statement of Comprehensive Income (by Program)

A summary of Council's financial performance for the year, listing all income and expenses by "program". This allows users of the financial statements to identify the cost relating to each Council Program and whether or not these costs were recovered from Program revenues.

3. A Statement of Financial Position

A 30 June snapshot of Council's financial position listing its assets and liabilities.

4. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

5. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent across operating, investing and financing activities.

6. A Rate Setting Statement

A Statement showing the amount of rates was raised during the year to fund the Council's proposed Programs (and any budget surplus/deficit from prior years).

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the six Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialise in Local Government).

In Western Australia, the Auditor provides an audit report that provides an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Department of Local Government, Sport and Cultural Industries, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1995* the Financial Statements must be made available at the office of the Council.

Financial Statements 2017

City of Wanneroo

General Purpose Financial Statements for the year ended 30 June 2017

Statement by Chief Executive Officer

The attached financial report of the City of Wanneroo, being the annual financial report and supporting notes and other information, for the financial year ended 30 June 2017 are, in my opinion, properly drawn up to present fairly the financial position of the City of Wanneroo at 30 June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the *Local Government Act 1995* and the regulations under that Act.

Signed on the 28th day of November 2017



Daniel Simms
CHIEF EXECUTIVE OFFICER

Financial Statements 2017

City of Wanneroo

Statement of Comprehensive Income (by Nature or Type)
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
Revenue				
Rates	24	143,090,395	142,127,655	133,367,040
Operating Grants, Subsidies & Contributions	28(a)	16,575,517	12,583,297	10,324,953
Fees & Charges	27	15,993,918	19,763,958	17,786,913
Interest Earnings	2(a)	8,199,375	8,546,744	8,129,355
Other Revenue		982,018	644,420	983,887
		<u>184,841,223</u>	<u>183,666,074</u>	<u>170,592,148</u>
Expenses				
Employee Costs	31	(72,692,362)	(71,194,905)	(69,828,973)
Materials & Contracts		(49,429,584)	(55,833,956)	(42,234,148)
Utilities		(8,592,081)	(8,852,923)	(8,646,255)
Depreciation of Non-Current Assets	2(a)	(40,650,505)	(40,054,948)	(36,710,312)
Interest Expenses (Municipal)	2(a)	(4,118,180)	(4,114,682)	(4,132,557)
Insurance		(1,428,067)	(1,584,844)	(1,419,709)
		<u>(176,910,779)</u>	<u>(181,636,258)</u>	<u>(162,971,954)</u>
Operating Result from Continuing Operations		<u>7,930,444</u>	<u>2,029,816</u>	<u>7,620,194</u>
Non-Operating Grants, Subsidies & Contributions	28(a)	83,706,469	67,492,373	88,709,347
Town Planning Scheme Income (Inc Interest)		14,663,820	24,301,911	19,275,110
Town Planning Scheme Expenses (Inc Interest)		(7,090,210)	(18,928,500)	(15,010,923)
Loss on revaluation of plant and equipment	7(b)	-	-	(660,445)
Net Share of Interests in Controlled Entities, Associated Entities & Joint Ventures	17	53,258	-	509,291
Profit on Asset Disposals	21	2,136,186	3,806,662	4,708,829
Loss on Asset Disposals	21	(223,184)	(500,000)	(480,362)
		<u>93,246,339</u>	<u>76,172,446</u>	<u>97,050,847</u>
Net Result		<u>101,176,783</u>	<u>78,202,262</u>	<u>104,671,041</u>
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets (net)	13	321,759,689	-	3,980,942
Total Other Comprehensive Income		<u>321,759,689</u>	<u>-</u>	<u>3,980,942</u>
Total Comprehensive Income		<u>422,936,472</u>	<u>78,202,262</u>	<u>108,651,983</u>

This statement should be read in conjunction with the accompanying notes.

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City of Wanneroo

Statement of Comprehensive Income (by Program)
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
Revenue				
Governance		377,817	268,434	1,282,391
General Purpose Funding		162,089,508	157,756,818	145,835,002
Law, Order, Public Safety		1,372,995	1,408,015	1,438,453
Health		611,724	630,360	369,477
Education & Welfare		3,915,384	4,234,687	4,180,683
Community Amenities		3,454,103	6,154,233	4,849,997
Recreation & Culture		8,692,858	8,636,991	8,573,710
Transport		1,496,878	1,343,160	1,307,840
Economic Services		2,558,011	3,020,000	3,033,540
Other Property & Services		14,856,924	24,515,275	19,544,284
		<u>199,426,202</u>	<u>207,967,973</u>	<u>190,415,377</u>
Expenses (excl. Finance Costs)				
Governance		(9,637,432)	(10,454,478)	(9,919,442)
General Purpose Funding		(1,621,024)	(1,662,260)	(972,343)
Law, Order, Public Safety		(8,257,036)	(7,255,573)	(6,510,635)
Health		(2,418,104)	(2,705,457)	(2,810,117)
Education & Welfare		(9,911,771)	(9,556,939)	(9,087,896)
Community Amenities		(36,914,170)	(37,600,605)	(34,065,465)
Recreation & Culture		(55,060,539)	(56,212,810)	(49,637,547)
Transport		(44,346,962)	(41,612,040)	(41,207,979)
Economic Services		(3,792,791)	(5,903,375)	(4,518,181)
Other Property & Services		(7,720,673)	(22,986,507)	(15,819,988)
		<u>(179,680,502)</u>	<u>(195,950,044)</u>	<u>(174,549,593)</u>
Finance Costs				
General Purpose Funding		(704,630)	(686,276)	(1,053,666)
Recreation & Culture		(3,162,129)	(2,898,751)	(2,898,816)
Transport		(143,398)	(411,321)	(102,280)
Other Property & Services		(178,231)	(618,334)	(77,795)
	2(a)	<u>(4,188,388)</u>	<u>(4,614,682)</u>	<u>(4,132,557)</u>
		<u>15,557,312</u>	<u>7,403,247</u>	<u>11,733,227</u>
Non-Operating Grants, Subsidies, Contributions				
Governance		150,000	-	19,845
Law, Order, Public Safety		-	-	10,705
Community Amenities		57,826	13,000,000	153,377
Recreation & Culture		8,543,674	-	15,094,854
Transport		74,822,894	54,492,353	72,261,007
Other Property & Services		132,075	-	1,169,559
	28	<u>83,706,469</u>	<u>67,492,353</u>	<u>88,709,347</u>

This statement should be read in conjunction with the accompanying notes.

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Financial Statements 2017

City of Wanneroo

Statement of Comprehensive Income (by Program) (continued)
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
Profit/(Loss) on Disposal of Assets				
Governance		(5,205)	-	(2,392)
Education & Welfare		-	-	(13,318)
Community Amenities		-	-	1,641
Recreation & Culture		-	-	(2,952)
Other Property & Services		1,918,207	3,306,662	4,245,488
	21	<u>1,913,002</u>	<u>3,306,662</u>	<u>4,228,467</u>
Net Result		<u>101,176,783</u>	<u>78,202,262</u>	<u>104,671,041</u>
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	13	321,759,689	-	3,980,942
Total Other Comprehensive Income		<u>321,759,689</u>	<u>-</u>	<u>3,980,942</u>
Total Comprehensive Income		<u>422,936,472</u>	<u>78,202,262</u>	<u>108,651,983</u>

This statement should be read in conjunction with the accompanying notes.

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Financial Statements 2017

City of Wanneroo

Statement of Financial Position

as at 30 June 2017

\$	Notes	2017 Actual	2016 Actual
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	359,431,307	319,626,869
Trade and Other Receivables	5	19,218,020	20,047,001
Inventories	6	355,123	385,056
Total Current Assets		379,004,450	340,058,926
Non-Current Assets			
Investments	4	17,801,403	19,040,464
Trade and Other Receivables	5	2,650,278	2,360,587
Inventories	6	19,612,517	17,432,679
Property, Plant and Equipment	7	554,632,142	533,983,721
Infrastructure	8	1,937,817,466	1,564,991,352
Total Non-Current Assets		2,532,513,806	2,137,808,803
TOTAL ASSETS	19	2,911,518,256	2,477,867,729
LIABILITIES			
Current Liabilities			
Trade and Other Payables	9	28,012,349	24,937,538
Provisions	11	16,620,016	14,778,818
Total Current Liabilities		44,632,365	39,716,356
Non-Current Liabilities			
Long Term Borrowings	10	66,378,188	60,778,188
Provisions	11	1,619,272	1,421,226
Total Non-Current Liabilities		67,997,460	62,199,414
TOTAL LIABILITIES		112,629,825	101,915,770
Net Assets		2,798,888,431	2,375,951,959
EQUITY			
Retained Surplus		1,209,474,073	1,119,949,524
Reserves - Cash/Investment Backed	12	179,140,478	171,281,078
Reserves - Asset Revaluation	13	1,296,640,548	974,880,859
Town Planning Schemes		113,633,332	109,840,498
Total Equity		2,798,888,431	2,375,951,959

This statement should be read in conjunction with the accompanying notes.

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Financial Statements 2017

City of Wanneroo

Statement of Changes in Equity
for the year ended 30 June 2017

\$	Notes	Reserves			Town Planning Schemes	Total Equity
		Retained Surplus	Cash / Investment Backed	Asset Revaluation Reserve		
Balance as at 1 July 2015		1,029,442,415	153,516,686	970,899,917	113,440,958	2,267,299,976
Net Result		104,671,041	-	-	-	104,671,041
Asset Revaluation (net)	13	-	-	3,980,942	-	3,980,942
Reserve Transfers	12	(17,764,392)	17,764,392	-	-	-
Town Planning Scheme Transfers	33	3,600,460	-	-	(3,600,460)	-
Balance as at 30 June 2016		1,119,949,524	171,281,078	974,880,859	109,840,498	2,375,951,959
Net Result		101,176,783	-	-	-	101,176,783
Asset Revaluation (net)	13	-	-	321,759,689	-	321,759,689
Reserve Transfers	12	(7,859,400)	7,859,400	-	-	-
Town Planning Scheme Transfers	33	(3,792,834)	-	-	3,792,834	-
Balance as at 30 June 2017		1,209,474,073	179,140,478	1,296,640,548	113,633,332	2,798,888,431

This statement should be read in conjunction with the accompanying notes.

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City of Wanneroo

Statement of Cash Flows

for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
Cash Flows from Operating Activities				
Receipts:				
Rates		141,965,045	142,127,655	132,784,375
Operating Grants, Subsidies and Contributions		16,575,517	12,583,297	10,324,956
Fees and Charges		15,776,382	19,763,958	18,324,629
Interest Earnings		8,774,163	8,546,744	9,773,396
Goods and Services Tax		12,323,929	9,700,000	10,907,405
Other Revenue		2,722,039	644,408	199,643
		<u>198,137,075</u>	<u>193,366,062</u>	<u>182,314,404</u>
Payments:				
Employee Costs		(70,359,892)	(71,299,429)	(67,614,101)
Materials and Contracts		(48,341,387)	(55,557,400)	(40,402,433)
Utilities		(8,592,081)	(8,852,923)	(8,646,255)
Insurance		(1,428,067)	(1,584,844)	(1,419,709)
Interest		(3,884,821)	(4,614,682)	(3,814,873)
Goods and Services Tax		(11,266,600)	(9,700,000)	(10,762,926)
		<u>(143,872,848)</u>	<u>(151,609,278)</u>	<u>(132,660,297)</u>
Net Cash provided (or used in) Operating Activities	14(b)	<u>54,264,227</u>	<u>41,756,784</u>	<u>49,654,107</u>
Cash Flows from Investing Activities				
Receipts:				
Non-Operating Grants, Subsidies and Contributions		37,037,918	19,224,353	13,544,947
Proceeds from Sale of Assets		4,442,197	5,481,043	7,947,934
Town Planning Scheme Income (Inc. Interest)		14,663,820	22,569,911	16,957,469
Payments:				
Payments for Development of Land Held for Resale		(3,519,137)	-	(6,671,831)
Payments for Purchase of Property, Plant & Equipment		(30,695,149)	(62,271,797)	(19,483,278)
Payments for Construction of Infrastructure		(36,236,326)	(30,156,590)	(29,690,236)
Town Planning Scheme Expenses		(7,090,210)	(18,600,500)	(15,012,347)
Movement in Equity Investments				
Equity Contribution - Mindarie Regional Council		(47,441)	-	(44,674)
Equity Contributions - Tamala Regional Council		1,384,539	-	(104,603)
		<u>(20,059,789)</u>	<u>(63,753,580)</u>	<u>(32,556,619)</u>
Net Cash provided (or used in) Investing Activities		<u>(20,059,789)</u>	<u>(63,753,580)</u>	<u>(32,556,619)</u>
Cash Flows from Financing Activities				
Proceeds from New Loans		5,600,000	11,100,000	-
Net Cash provided (or used in) Financing Activities		<u>5,600,000</u>	<u>11,100,000</u>	<u>-</u>
Net Increase/(Decrease) in Cash & Cash Equivalents		<u>39,804,438</u>	<u>(10,896,796)</u>	<u>17,097,488</u>
Cash at the beginning of the year	3	319,626,869	281,200,317	302,529,381
Cash & Cash Equivalents - End of the Year	14(a)	<u>359,431,307</u>	<u>270,303,521</u>	<u>319,626,869</u>
Additional Information:				
Plus: Investments on hand - end of year	4	17,801,403	19,040,464	19,040,464
Total Cash, Cash Equivalents & Investments		<u>377,232,710</u>	<u>289,343,985</u>	<u>338,667,333</u>

This statement should be read in conjunction with the accompanying notes.

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City of Wanneroo

Rate Setting Statement (by Program)
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
Net current assets at start of financial year - surplus/(deficit)				
		-	-	-
		-	-	-
OPERATING ACTIVITIES				
Revenue from operating activities (excluding rates)				
Governance		527,817	268,434	1,302,236
General Purpose Funding (Excl. Rates)		18,999,113	15,629,163	12,467,962
Law, Order, Public Safety		1,372,995	1,408,015	1,449,158
Health		611,724	630,360	369,477
Education and Welfare		3,915,384	4,234,687	4,180,683
Community Amenities		3,511,929	19,154,233	5,005,015
Recreation and Culture		17,236,532	8,636,991	23,668,564
Transport		76,319,772	55,835,513	73,530,022
Economic Services		2,558,011	3,020,000	3,033,540
Other Property and Services		16,907,206	27,821,937	24,959,327
		<u>141,960,483</u>	<u>136,639,333</u>	<u>149,965,984</u>
Expenses from operating activities				
Governance		(9,642,637)	(10,454,478)	(10,007,143)
General Purpose Funding		(2,325,654)	(2,348,536)	(2,026,009)
Law, Order, Public Safety		(8,257,036)	(7,255,573)	(6,510,635)
Health		(2,418,104)	(2,705,457)	(2,823,435)
Education and Welfare		(9,911,771)	(9,556,939)	(9,087,896)
Community Amenities		(36,914,170)	(37,600,605)	(34,065,465)
Recreation and Culture		(58,222,668)	(57,406,057)	(52,539,315)
Transport		(44,490,360)	(42,023,361)	(41,310,259)
Economic Services		(3,792,791)	(5,903,375)	(4,518,181)
Other Property and Services		(7,898,904)	(23,604,841)	(15,773,645)
		<u>(183,874,095)</u>	<u>(198,859,222)</u>	<u>(178,661,983)</u>
Operating activities excluded from budget				
(Profit)/Loss on Asset Disposal	21	(1,913,002)	(3,306,662)	(4,228,467)
Movement in Non-Current Deferred Pensioner Rates		(289,691)	-	(265,018)
Movement in Non-Current Employee Benefit Provisions		198,046	-	90,649
Depreciation & Amortisation on Assets	2(a)	40,650,505	40,054,948	36,710,312
Movement in Equity Accounted Investments		(53,258)	-	(509,291)
Loss on revaluation of plant and equipment		-	-	660,445
Amount attributable to operating activities		<u>38,592,600</u>	<u>36,748,286</u>	<u>32,458,630</u>
INVESTING ACTIVITIES				
Purchase and Development of Land Held for Resale		(3,519,137)	-	(6,671,842)
Physical Assets Received from Developers		(46,668,551)	(50,000,000)	(77,174,162)
Purchase Land and Buildings		(8,744,802)	(51,162,468)	(12,131,721)
Purchase Plant and Equipment		(3,040,041)	(5,799,358)	(5,368,846)
Purchase Furniture and Equipment		(2,224,685)	(5,309,971)	(1,794,780)
Infrastructure Assets		(27,499,654)	(30,156,590)	(26,589,351)
Equity Contribution - Tamala Park Regional Council		1,384,540	-	(104,603)
Equity Contribution - Mindarie Regional Council		(47,442)	-	(44,674)
Movement in Works in progress		(25,422,292)	-	(3,288,816)
Proceeds from New Loans		5,600,000	11,100,000	-
Proceeds from Disposal of Assets	21	4,442,197	5,481,043	7,947,934
Amount attributable to investing activities		<u>(105,739,867)</u>	<u>(125,847,344)</u>	<u>(125,220,861)</u>

This statement should be read in conjunction with the accompanying notes.

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Financial Statements 2017

City of Wanneroo

Rate Setting Statement (by Program) (continued)
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
FINANCING ACTIVITIES				
Transfers to Reserves (Restricted Assets)	12	(45,014,887)	(25,761,433)	(60,684,844)
Transfers from Reserves (Restricted Assets)	12	37,155,487	37,681,298	42,920,452
Movement in Restricted Grants, Contributions & Unspent Loans		(22,625,593)	510,838	2,192,514
Leave Provision Written Back (Transferred to Reserve)		248,308	-	62,605
Transfers to Town Planning Schemes		(18,456,651)	(22,569,911)	(16,957,469)
Transfers from Town Planning Schemes		14,663,820	19,330,500	20,557,932
Amount attributable to financing activities		(34,029,516)	9,191,292	(11,908,810)
Surplus/(deficiency) before general rates		(143,090,395)	(142,127,655)	(133,367,040)
Total amount raised from general rates		143,090,395	142,127,655	133,367,040
Net current assets as at June 30 c/fwd - surplus/(deficit)		-	-	-

This statement should be read in conjunction with the accompanying notes.

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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 18 to this financial report.

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Standards Board, *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the City controls resources to carry on its functions, have been included in the financial statements forming part of this financial report. In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Statement of Financial Position.

(e) Trade and Other Receivables

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the debt will not be collectible.

(f) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the established selling price in the ordinary course of business less the estimated costs of

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

completion and the estimated costs necessary to make the sale.

(ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred. Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale. Land held for resale is classified as current except where it is held as non-current based on the City's intentions to release for sale.

(g) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the City commenced the process of adopting Fair Value in accordance with the Regulations. Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework

established and the City revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation reserve in equity. Decreases in the carrying amount that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Land under Roads

In Western Australia, all land under roads is Crown land. The responsibility for managing land under roads is vested in the local government.

Effective as at 1 July 2008, City elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

treatment available in Australian Accounting Standard AASB 1051 *Land Under Roads and Local Government (Financial Management) Regulation* 16(a)(i), which prohibits local governments from recognising such land as an asset.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

(h) Depreciation of Non-Current Assets

All non-current assets that have a limited useful life are separately and systematically depreciated over their useful lives in a manner that reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation for infrastructure assets is calculated from the end of the year in which the asset was completed and brought into account.

Expenditure on items of equipment under \$1,000 are not capitalised but are placed on an "Attractive Items" list for reference and maintenance.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	40 years
Bus Shelters*	30 - 50 years
Computer Hardware	3 years
Computer Software	2 years
Pathways*	25 - 70 years
Furniture & Equipment	10 years
Heavy Vehicles - 1,201 kg to 4,000 kg	
6 years/100,000 km's (45% residual)	
Heavy Vehicles - 4,001 kg to 9,000 kg	
6 years/200,000 km's (40% residual)	
Heavy Vehicles - 9,001 kg to 12,000 kg	
8 years/500,000 km's (48% residual)	
Heavy Vehicles - Refuse	5 years (20% residual)
Irrigation Piping	30 years
Light Vehicles	3 years (60% residual)
Other Infrastructure*	15 - 30 years
Other Plant and Equipment	10 years
Parks & Reserves*	12 - 85 years
Plant	10 years (50% residual)
Reserves/Playground Equipment*	12 - 15 years
Sealed Car Parks - Pavement	85 years
Road - Kerb	55 years
Road - Seal*	18 - 40 years

Road Pavement - Seal*	85 - 100 years
Street Lighting	33 years
Tennis/Basketball Courts (Acrylic)	12 years
Underpasses	100 years
Water Supply Piping & Drainage Systems*	50 - 100 years

*Due to useful lives of the individual assets within each asset type varying, despite being of a similar nature, the asset types denoted have a range of depreciation periods.

The assets residual value and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(i) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Available quoted prices in an active market are used to determine fair

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (d) less any reduction for impairment.

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums of discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date that are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the City's management has the positive intention and ability to hold to maturity. If the City was to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the City assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

(j) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is determined using valuation techniques. The City uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

current market interest rate that is available to the City for similar financial instruments.

(k) Provisions

Provisions are recognised when the City has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow, with respect to any one item included in the same class of obligations, may be small.

(l) Leases

Leases of property, plant and equipment, where the City has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Income, over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(m) Investments in Associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby

the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associates. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate.

When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses. This occurs unless the City has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(n) Impairment

In accordance with Australian Accounting Standards the City's assets, other than inventories, are tested annually for impairment. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with *AASB 136 Impairment of Assets* and appropriate adjustments made. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

For non-cash generating assets of the City such as roads, drains, public buildings and the like, value in use is represented by the asset's written down replacement cost.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

(o) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid for the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the City has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. Borrowing costs are recognised as an expense when incurred, except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(q) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the City has a present obligation to pay resulting from employee's services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the City expects to pay and includes related on-costs.

Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits. It is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity, and currency, that match as closely as possible, the estimated future cash outflows.

Where the City does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(r) Superannuation

The City contributes to a number of Superannuation Funds on behalf of their employees. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(s) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 1(m) for a description of the equity method of accounting.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

(t) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed at Note 2(d). That note also discloses the amount of contributions recognised as revenues in a previous reporting period, which were obtained in respect of the local government's operation for the current reporting period.

(u) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operation cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months. An exception exists for land held for resale, where it is held as non-current based on the City's intentions to release for sale.

(v) Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

(w) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(x) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

(y) Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields. Investment property is carried at fair value, representing open-market value determined annually by external users.

(z) Non-Current Assets (or Disposal Groups) "Held for Sale" and Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount, or (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles, which are turned over on a regular basis. Plant and motor vehicles are retained in Non-Current Assets under the classification of Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of the City's operations that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

(aa) Intangible Assets

The City has not classified any assets as Intangible.

(ab) New Accounting Standards and Interpretations for Application in Future Periods

In the current year, the City adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the City's accounting policies.

AASB 9 *Financial Instruments* (incorporating AASB 2014-7 and AASB 2014-8), which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost. Financial assets will only be able to be measured at amortised cost where specific conditions are met.

AASB 15 *Revenue from Contracts with Customers* is effective from 1 January 2019 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. It establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.

AASB 16 *Leases* is effective from 1 January 2019 and will replace AASB 117 *Leases*. Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 *Leases* which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.

Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.

AASB 1058 *Income of Non-for-Profit Entities* (incorporating AASB 2016-7 and AASB 2016-8) is effective from 1 January 2019. Under this standard, it is likely to have a significant impact on the income recognition for Not-for-Profit Entities. Key areas for consideration are: assets received below fair value, transfers received to acquire or construct non-financial assets, grants received, prepaid rates, leases entered into at below market rates and volunteer services.

Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the City's operations.

From 1 July 2016 AASB 124 *Related Party Disclosures* became applicable to the City, which means that the City has disclosed more information about related parties and transactions with those related parties.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

Other amended Australian Accounting Standards and Interpretations, which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

The City does not expect to adopt the new standards before their operative date and before the standards become applicable to the City.

Not applicable to Local Government per se;

There are no other standards that are "not yet effective" and expected to have a material impact on the City in the current or future reporting periods and on foreseeable future transactions.

(ac) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses

\$	Notes	2017 Actual	2017 Budget	2016 Actual
(a) Net Result				
The Result includes:				
(i) Charging as an Expense:				
Auditors Remuneration				
- Audit		47,010	32,350	58,339
Bad & Doubtful Debts				
Sundry Debtors		159,952	-	13,071
Depreciation & Amortisation				
<i>Property, Plant & Equipment</i>	7(b)			
- Buildings		3,210,824	-	2,970,649
- Furniture and Equipment		1,276,317	-	1,292,562
- Plant and Equipment		4,369,691	-	2,623,572
<i>Infrastructure</i>	8(b)			
- Roads		15,268,034	-	14,681,520
- Drainage		2,676,769	-	2,473,161
- Other Infrastructure		3,950,419	-	3,847,581
- Pathways		2,053,788	-	1,957,759
- Car Parks		420,295	-	455,847
- Reserves		7,424,368	-	6,407,661
		40,650,505	-	36,710,312
Interest Expenses (Finance Costs)				
Accrued Interest on Loans		22,384	-	16,709
Loans	23(a)	4,166,004	4,614,682	4,115,848
		4,188,388	4,614,682	4,132,557
- Municipal Fund		4,118,180	4,114,682	4,132,557
- Developer Contribution Schemes		70,208	500,000	-
Interest Expenses (Finance Costs)		4,188,388	4,614,682	4,132,557
(ii) Crediting as Revenue:				
Interest Earnings				
Investments - Municipal Funds		1,985,263	2,480,370	2,235,912
Investments - Reserve Funds		4,160,979	4,516,874	4,037,533
Other Interest Revenue	26	2,053,133	1,549,500	1,855,910
		8,199,375	8,546,744	8,129,355
Town Planning Schemes		3,688,841	3,150,000	3,907,189
Total		11,888,216	11,696,744	12,036,544

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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

(b) Statement of Objectives, Reporting Programs and Nature or Type

Statement of Objective

In order to discharge its responsibilities to the Community, the Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Council's Vision, and for each of the Council's broad activities/programs.

With reference to the City of Wanneroo's Strategic Community Plan 2017/18 - 2026/27:

Vision

Inspired by our past, working to create a vibrant, progressive City, providing opportunity and investment to enable our growing communities to prosper.

Community Aspirations

The Community aspirations, developed under the four pillars of the community priorities are:

- 1) Society
Healthy, safe, vibrant and connected communities.
- 2) Economy
Progressive, connected communities that enable economic growth and employment.
- 3) Environment
A healthy and sustainable natural and built environment.
- 4) Civic Leadership
Working with others to ensure the best use of our resources.

REPORTING PROGRAM DESCRIPTIONS

Council operations that are disclosed encompass the following service orientated activities/programs:

GOVERNANCE

Objective: To provide a decision making process for the efficient allocation of scarce resources.

Activities: Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters that do not concern specific Council services.

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Collection of rates, general purpose government grants and interest revenue.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

(b) Statement of Objectives, Reporting Programs and Nature or Type (continued)

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to help ensure a safer and environmentally conscious Community.

Activities: Supervision and enforcement of various local laws relating to fire prevention, animal control and protection of the environment and other aspects of public safety including emergency services.

HEALTH

Objective: To provide services to achieve community and environmental health.

Activities: Maternal and infant health facilities, immunisation, meat inspection services, inspection of food outlets, noise control and pest control services.

EDUCATION AND WELFARE

Objective: To provide services to children, youth, the elderly and disadvantaged persons.

Activities: Pre-school and other education services, child minding facilities, playgroups, senior citizens centres, meals on wheels and home care services.

COMMUNITY AMENITIES

Objective: To provide services required by the Community.

Activities: Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment, administration of town planning schemes and public conveniences.

RECREATION AND CULTURE

Objective: To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Activities: Maintenance of public halls, civic centre, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective: To provide safe, effective and efficient transport services to the Community.

Activities: Construction (if not capitalised) and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Water transport facilities, cleaning of streets, maintenance of street trees and street lighting.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

(b) Statement of Objectives, Reporting Programs and Nature or Type (continued)

ECONOMIC SERVICES

Objective: To help promote the City and its economic wellbeing.

Activities: Tourism and provision of rural services including weed control, vermin control and standpipes. Building control services.

OTHER PROPERTY AND SERVICES

Objective: To monitor and control council's overheads operating accounts.

Activities: Plant repair, operational costs and engineering costs.

(c) Nature or Type Classifications

In accordance with Australian Accounting Standards, the City of Wanneroo is required to disclose revenue and expenditure according to its nature or type classification. Additionally, the following nature or function descriptions are required by State Government regulations.

REVENUE

Rates

All rates levied under the *Local Government Act 1995*. This includes general, differential, specific area rates, minimum rates, interim rates, back rates and ex-gratia rates, less discounts offered. This excludes administration fees, interest on instalments, interest on arrears, service charges and waste and sewerage rates.

Operating Grants, Subsidies and Contributions

This refers to all amounts received as grants, subsidies and contributions that are not classified as non-operating grants.

Non-Operating Grants, Subsidies and Contributions

These are amounts received specifically for the acquisition, construction of new or the upgrade of non-current assets paid to a local government. They are included irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

(c) Nature or Type Classifications (continued)

Profit on Asset Disposal

Profit on the disposal of fixed assets.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Service Charges

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations* identifies the charges which can be raised. These charges are television and radio rebroadcasting, underground electricity, property surveillance and security and water services. This excludes rubbish removal and charges for the provision of waste services. The City has not levied service charges for the years ended 30 June 2016 and 30 June 2017.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue

Other revenue, which cannot be classified under the above headings. This includes dividends, discounts and rebates.

EXPENDITURE

Employee Costs

All costs associated with the employment of persons such as salaries, wages, allowances, benefits (such as vehicle and housing), superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations and fringe benefits tax.

Material and Contracts

All expenditure on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight.

Utilities (Gas, Electricity, Water and Telephones)

Expenditures made to respective agencies for the provision of power, gas, water or telephones. This excludes expenditure incurred for the re-instatement of services after road works on behalf of these agencies.

City of Wanneroo

Notes to the Financial Statements for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

(c) Nature or Type Classifications (continued)

Depreciation and Amortisation on Non-Current Assets

Depreciation and amortisation expense raised on all classes of assets except land.

Loss on Asset Disposal

Loss on the disposal of fixed assets. Losses are disclosed under the expenditure classifications

Interest Expenses

Interest and other costs of finance paid, including costs of finance for loans, overdraft accommodation and re-financing expenses.

Insurance

All insurance other than worker's compensation and health benefit insurance. These are included as a cost of employment.

Other Expenditure

Statutory fees, taxes and provision of bad debts. Donations and subsidies made to community groups and expenditure not otherwise classified.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance ¹ 01-Jul-15	Received ² 2016	Expended ³ 2016	Closing Balance ¹ 30-Jun-16	Received ² 2017	Expended ³ 2017	Closing Balance 30-Jun-17
\$							
(d) Conditions Over Grants, Subsidies & Contributions							
Grant/Subsidy/Contribution							
<u>Economic Development</u>							
Economic Development Initiatives for Two Rocks	92,000	-	-	92,000	-	-	92,000
Economic Development Initiatives for Lot 12 Marmion Ave Jindalee	76,800	-	-	76,800	-	-	76,800
Economic Development Contributions for Somerly	42,200	-	-	42,200	-	-	42,200
<u>Emergency Services & Environmental Protection</u>							
Emergency Services Levy Grant	-	475,242	(399,057)	76,185	437,058	(432,193)	81,050
Emergency Relief Funding LotteryWest	25,082	96,000	(80,335)	40,747	(18,147)	(22,600)	-
Coast Protection Works Quinns Rocks Long Term Coastal Management	-	65,000	-	65,000	-	(65,000)	-
Girrawheen Greening Project	1,000	-	-	1,000	-	-	1,000
Coast Protection Quinns - Department of Transport	138,394	-	(138,394)	-	-	-	-
<u>Health & Fitness</u>							
Age Friendly Grant 2017 - Department of Local Government & Communities	-	10,000	-	10,000	-	(7,696)	2,304
Volunteer Grant 2017 - Department of Social Services	-	3,750	-	3,750	-	(3,750)	-
Kidsport 2015/2016 - Department of Sports and Recreation	-	425,000	(425,000)	-	-	-	-
Your Move Project 2014/2015	20,785	100,000	(76,744)	44,041	(1,156)	(42,885)	-
Abbeville Park Fitness Equipment - Department of Sports and Recreation	-	-	-	-	10,000	-	10,000
Tauranga Park Fitness Equipment - Department of Sports and Recreation	-	-	-	-	17,000	-	17,000
Floodlighting Shelvock Park Koondoola	-	-	-	-	140,000	-	140,000

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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance ¹ 01-Jul-15	Received ² 2016	Expended ³ 2016	Closing Balance ¹ 30-Jun-16	Received ² 2017	Expended ³ 2017	Closing Balance 30-Jun-17
\$							

(d) Conditions Over Grants, Subsidies & Contributions (continued)

Grant/Subsidy/Contribution (continued)

Youth Services

YSpeak! A face, place and voice - Youth Friendly Communities Project

- Department of Local Government & Communities

1,931	-	(1,931)	-	-	-	-
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North Zone Youth Services - Department of Child Protection & Family Services

-	147,933	(144,839)	-	-	-	3,094
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Carramar Youth Project - Community Crime Prevention Fund

18,041	-	(18,041)	-	-	-	-
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Buildings

Gumblossom Community Centre Storage Room Construction

- Quinns Football Club Contribution

-	43,850	(41,331)	2,519	-	(2,519)	-
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Alexander Heights Day Club Construction - Department of Health

-	-	-	-	550,000	-	550,000
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Recreation & Culture

Anzac Last Post Grant - Department of Veterans Affairs

11,963	-	(11,963)	-	-	-	-
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Department of Health - HACC Bus Funds diverted to My Life My Words

Project 2014

5,438	-	(229)	5,209	-	-	5,209
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Roads

Prindiville Road Intersection Upgrade Contribution - Clifford Rocke Scott

Langdon & John Buback as Managers & Receivers of Watson Property

-	112,645	-	112,645	-	-	112,645
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Prindiville Road Intersection Upgrade Contribution - Endeavor Properties Pty

-	87,229	-	87,229	-	-	87,229
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Prindiville Road Intersection Upgrade Contribution - Watson Property

-	77,325	-	77,325	-	-	77,325
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Prindiville Road Intersection Upgrade Contribution - ABN Group

-	215,267	-	215,267	-	-	215,267
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Traffic Management Scheme Landsdale Road Darch

- Department of Infrastructure

-	221,400	(167,146)	54,254	-	(54,254)	-
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Project Management Cost - Road Resurfacing Program 2015/2016

-	407,818	(135,740)	272,078	-	(272,078)	-
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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance ¹ 01-Jul-15	Received ² 2016	Expended ³ 2016	Closing Balance ¹ 30-Jun-16	Received ² 2017	Expended ³ 2017	Closing Balance 30-Jun-17
\$							
(d) Conditions Over Grants, Subsidies & Contributions (continued)							
Grant/Subsidy/Contribution (continued)							
Roads (continued)							
Design Consultancy & Construction Marmion Avenue Duplication							
- Lukin Drive to Butler Boulevard - Main Roads WA	-	1,333,333	(210,207)	1,123,126	1,333,333	(2,392,360)	64,099
Mirrabooka Avenue Road Improvement Grant Funding - Main Roads WA	-	1,466,667	-	1,466,667	-	(213,617)	1,253,050
Bravado Nominees P/L Lot 75 Cooper Street Madeley	10,000	-	-	10,000	-	-	10,000
Lancaster Industrial Park P/L	76,747	-	-	76,747	-	-	76,747
Watson Property Group Woodvale Ltd Cont to Madeley Rise							
Stage 5 Madeley	42,216	-	-	42,216	-	-	42,216
Re Ledger Pty Ltd - Curtin Road Marangaroo	2,730	-	-	2,730	-	-	2,730
Peet & Co - Yanchep Ocean Lagoon Contributions	450	-	-	450	-	-	450
Peet & Co - Contributions East Road/Wanneroo Road	12,701	-	-	12,701	-	-	12,701
Civil Technology - East Wanneroo Road Intersection	3,050	-	-	3,050	-	-	3,050
AHG - Wanneroo Road & Lancaster Road	77,234	-	-	77,234	-	-	77,234
Geary Ray - Drainage Upgrade- High Road	11,135	-	-	11,135	-	-	11,135
Silverton Limited - Lots 1000 & 1001 Quinns North	6,000	-	-	6,000	-	-	6,000
Australand - Contribution for East Road/Wanneroo Road Upgrade	14,757	-	-	14,757	-	-	14,757
Stockland WA - Roundabout - Driver Road & Waterford Parade							
Stage 7 Ashdale Gardens	18,000	-	-	18,000	-	-	18,000
Zebra Properties Pty Ltd - Wanneroo Cell No 6	16,200	-	-	16,200	-	-	16,200
Australand Investments Const of Roundabout Intersection of							
Librizzi Parade & Basico Avenue (Olive Ridge Stage 1 & 2)	20,265	-	-	20,265	-	-	20,265
Mendelawitz Morton Quality Settlements - Landsdale Cell 9 Road							
Construction Repayment	252,178	-	-	252,178	-	-	252,178

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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance ¹ 01-Jul-15	Received ² 2016	Expended ³ 2016	Closing Balance ¹ 30-Jun-16	Received ² 2017	Expended ³ 2017	Closing Balance 30-Jun-17
\$							
(d) Conditions Over Grants, Subsidies & Contributions (continued)							
Grant/Subsidy/Contribution (continued)							
<u>Roads (continued)</u>							
Re-Lot 84 Nicholas Road, Subdivision 06/047 second part of a two part \$200,000 contribution as a condition approving the discharge of stormwater into the City's Ranworth Road Drainage Swale - Marauba P/L	24,000	-	-	24,000	-	-	24,000
Re-Lot 84 Nicholas Road, Subdivision 06/047 second part of a two part \$200,000 contribution as a condition approving the discharge of stormwater into the City's Ranworth rd Drainage Swale - Mammoth Nominees P/L	176,000	-	-	176,000	-	-	176,000
Peet Ashton Heights Contribution for future resurfacing of roundabouts in Ashton Heights	25,000	-	-	25,000	-	-	25,000
Compensation for road widening at Lot 600 Wattle Avenue Neerabup Signalised intersection contribution Stage 11 for Yanchep Beach Road Jindowie	1,028,120	-	-	1,028,120	-	-	1,028,120
Contribution for roundabout at Shiraz & Cabernet Loop Pearsall	121,875	-	-	121,875	-	(121,875)	-
Construction of Connolly Drive dual carriageway Neerabup Road to Hester Avenue, Clarkson	55,571	-	-	55,571	-	-	55,571
Construction of Neerabup Road duplication (Connolly Drive to Bunnings access)	1,219,601	-	(1,219,601)	-	-	-	-
Construction of Connolly Drive dual carriageway Hester Avenue to Lukin Drive Merriwa	-	-	-	-	1,670,195	(1,088,148)	582,047
Contribution for Subdivision of Lot 507 Pederick Road, Neerabup (Road Deed No 2)	838,569	-	(838,569)	-	-	-	-
	2,022,077	-	-	2,022,077	-	-	2,022,077

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City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance ¹ 01-Jul-15	Received ² 2016	Expended ³ 2016	Closing Balance ¹ 30-Jun-16	Received ² 2017	Expended ³ 2017	Closing Balance 30-Jun-17
\$							
(d) Conditions Over Grants, Subsidies & Contributions (continued)							
Grant/Subsidy/Contribution (continued)							
Contribution for Subdivision of Lot 507 Pederick Road, Neerabup (Road Deed No 1)	1,503,803	-	-	1,503,803	-	-	1,503,803
Intersection upgrade at Caporn Street Sinagra - Department of Infrastructure Design Consultancy & Construction Marmion Avenue Duplication				-	463,870	(191,619)	272,251
- Butler Boulevard to Yanchep Beach Road - Main Roads WA				-	23,000,000	-	23,000,000
Blackmore Avenue Traffic calming - Department of Transport				-	30,000	-	30,000
Installation of Anti-skid treatment on North and South intersection of Mirrabooka Drive/Marangaroo Drive Girrawheen					38,400	(27,880)	10,520
Road resurfacing 2016-2017 Carramar Road Carramar					39,578	(30,344)	9,234
Safer WA							
Upgrade Graffiti Management and Reporting System Project	-	19,845	(19,768)	77	-	(77)	-
CCTV Hub Kingsway Sporting Complex - Department of Attorney General	-	-	-	-	150,000	-	150,000
Other Property and Services							
Development of play and park facilities at Hardcastle Park	36,364	-	(36,364)	-	-	-	-
Total Unspent Grants, Subsidies & Contributions	8,048,277	5,160,371	(3,820,420)	9,388,228	28,008,064	(5,113,734)	32,282,558

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period that were not expended at the close of the previous period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and that had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and that were expended in the current reporting period in the manner specified by the contributor.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Cash and Cash Equivalents

		2017	2016
\$	Notes	Actual	Actual
Unrestricted			
Cash Municipal		18,589,233	14,346,438
Cash on Hand		16,196	17,296
		<u>18,605,429</u>	<u>14,363,734</u>
Restricted			
Reserves - Cash Backed		179,140,478	171,281,078
Town Planning Schemes		118,378,852	113,301,102
Unspent Grants		32,282,558	9,388,228
Unspent Loans		11,023,990	11,292,727
		<u>340,825,878</u>	<u>305,263,135</u>
Total Cash and Cash Equivalents	14(a)	<u>359,431,307</u>	<u>319,626,869</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	12	11,341,202	10,225,362
Asset Renewal Reserve	12	11,250,050	7,012,070
Asset Replacement Reserve	12	4,786,149	4,498,742
Butler Collaborative Planning Agreement Reserve	12	2,960,483	2,878,128
Carried Forward Capital Projects Reserve	12	5,524,685	9,515,574
Coastal Infrastructure Management Reserve	12	7,490,388	6,042,049
Domestic Refuse Reserve	12	8,571,718	8,346,169
Fleming Park Lake Reserve	12	220,034	213,913
Golf Course Reserve	12	1,593,554	1,465,539
Home and Community Care Asset Replacement Reserve	12	619,126	541,505
Land Acquisition Reserve	12	2,178,175	2,117,746
Leave Liability Reserve	12	1,708,512	1,460,204
Loan Repayment Reserve	12	20,937,950	18,569,409
Materials Recovery Facility Upgrade Reserve	12	-	94,189
Neerabup Development Reserve	12	4,524,110	4,694,253
Plant Replacement Reserve	12	10,090,454	5,684,841
Regional Open Space Reserve	12	5,155,485	5,012,070
Section 152 Reserve (formerly Section 20A Land Reserve)	12	1,589,909	1,545,681
Strategic Projects/Initiatives Reserve	12	71,307,498	74,443,227
Sustainability Investment Reserve (formerly Environmental Initiatives Reserve)	12	127,540	75,383
TPS 20 - District Distributor Road Headworks Reserve	12	6,772,576	6,584,185
Yanchep Bus Reserve	12	98,397	95,660
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	12	292,483	165,179
Total Reserves		<u>179,140,478</u>	<u>171,281,078</u>
Unspent Grants and Contributions	2(d)	32,282,558	9,388,228
Unspent Loan Funds	23(c)	11,023,990	11,292,727
Total Unspent Grants and Loans		<u>43,306,548</u>	<u>20,680,955</u>
Town Planning Schemes		<u>118,378,852</u>	<u>113,301,102</u>
Other Restrictions		<u>118,378,852</u>	<u>113,301,102</u>
Total Restricted Cash		<u>340,825,878</u>	<u>305,263,135</u>

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 4. Investments

		2017	2016
\$	Notes	Actual	Actual
Non Current			
Equity Accounted Investments			
Tamala Park Regional Council	17(a)	6,865,580	8,203,429
Mindarie Regional Council	17(b)	10,935,823	10,837,035
		<u>17,801,403</u>	<u>19,040,464</u>
Total Investments		<u>17,801,403</u>	<u>19,040,464</u>
Classified as:			
Unrestricted (Municipal Fund)		17,801,403	19,040,464
Total Investments		<u>17,801,403</u>	<u>19,040,464</u>

Note 5. Trade & Other Receivables

		2017	2016
\$	Notes	Actual	Actual
Current			
Rates Outstanding (Inclusive of Refuse and Swimming Pool Inspection)		12,797,340	12,734,353
Prepayments		688,777	341,294
GST Receivable		81,542	1,138,872
Accrued Income		4,712,012	5,256,855
Sundry Debtors		1,690,895	1,168,221
Provision for Doubtful Debts		(752,546)	(592,594)
Total Current Trade & Other Receivables		<u>19,218,020</u>	<u>20,047,001</u>
Non-Current			
Rates Outstanding - Pensioners		2,642,923	2,353,232
Deferred Debtors		7,355	7,355
Total Non-Current Trade & Other Receivables		<u>2,650,278</u>	<u>2,360,587</u>

City of Wanneroo

Notes to the Financial Statements for the year ended 30 June 2017

Note 6. Inventories

	2017 Actual	2016 Actual
\$		
Current		
Stores and Materials (Held at Cost)	355,123	385,056
Total Current Inventories	<u>355,123</u>	<u>385,056</u>
Non-Current		
Land Held for Resale - Development Costs	19,612,517	17,432,679
Total Non-Current Inventories	<u>19,612,517</u>	<u>17,432,679</u>

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 7. Property, Plant and Equipment

		2017	2016
\$	Notes	Actual	Actual
(a) Carrying Amounts			
Land - Fair Value		331,318,082	331,318,059
Land - Cost		713,523	713,546
		332,031,605	332,031,605
Buildings - Fair Value		163,570,386	163,570,386
Buildings - Cost		20,149,659	11,427,916
less: Accumulated Depreciation		(6,181,473)	(2,993,708)
		177,538,572	172,004,594
Furniture and Equipment - Fair Value		5,109,671	5,114,876
Furniture and Equipment - Cost		4,017,618	1,794,555
less: Accumulated Depreciation		(2,567,509)	(1,292,814)
		6,559,780	5,616,617
Plant and Equipment - Fair Value		19,187,014	20,371,705
Plant and Equipment - Additions after Revaluation - Cost		2,865,762	-
less: Accumulated Depreciation		(4,195,412)	-
		17,857,364	20,371,705
Works in Progress - Cost		20,644,821	3,959,200
		20,644,821	3,959,200
Total Property, Plant & Equipment	7(b)	554,632,142	533,983,721

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given that additions were acquired at arms length, and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period valuations are reviewed and, where appropriate, fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)*, which requires property, plant and equipment to be shown at fair value.

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 7 Property, Plant and Equipment (continued)

(b) Movements in Carrying Amounts

		Land	Buildings	Furniture and Equipment	Plant and Equipment	Works in Progress	Total
\$	Notes	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Balance as at 1 July 2015		331,318,059	163,570,386	5,119,744	19,851,209	1,931,226	521,790,624
Additions		704,963	9,922,427	1,769,766	5,368,846	1,717,276	19,483,278
Transfers from Works in Progress		8,583	1,495,748	25,014	-	(1,529,345)	-
Disposals		-	(13,318)	(5,345)	(1,564,333)	-	(1,582,996)
Revaluation - Increments/(Decrements)		-	-	-	(660,445)	-	(660,445)
Depreciation	2(a)	-	(2,970,649)	(1,292,562)	(2,623,572)	-	(6,886,783)
Property, Plant & Equipment at 30 June 2016		332,031,605	172,004,594	5,616,617	20,371,705	2,119,157	532,143,678
Reclassification	37	-	-	-	-	1,840,043	1,840,043
Restated Balance as at 30 June 2016		332,031,605	172,004,594	5,616,617	20,371,705	3,959,200	533,983,721
Additions	20		5,450,238	2,140,322	3,030,040	20,074,549	30,695,149
Transfers from Works in Progress			3,294,564	84,363	10,001	(3,388,928)	-
Disposals	21	-	-	(5,205)	(1,184,691)	-	(1,189,896)
Depreciation	2(a)	-	(3,210,824)	(1,276,317)	(4,369,691)	-	(8,856,832)
Property, Plant & Equipment at 30 June 2017		332,031,605	177,538,572	6,559,780	17,857,364	20,644,821	554,632,142

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 8 Infrastructure Assets

\$	Notes	2017 Actual	2016 Actual
(a) Carrying Amounts			
Roads - Fair Value		1,121,814,763	941,546,284
Roads - Additions after Valuation - Cost		-	109,697,104
less: Accumulated Depreciation		-	(28,128,839)
		<u>1,121,814,763</u>	<u>1,023,114,549</u>
Drainage - Fair Value		372,823,358	181,191,341
Drainage - Additions after Valuation - Cost		-	23,635,933
less: Accumulated Depreciation		-	(4,854,257)
		<u>372,823,358</u>	<u>199,973,017</u>
Other Infrastructure - Fair Value		59,965,094	49,390,650
Other Infrastructure - Cost		-	7,563,271
less: Accumulated Depreciation		-	(7,756,672)
		<u>59,965,094</u>	<u>49,197,249</u>
Pathways - Fair Value		135,514,683	95,218,417
Pathways - Additions after Valuation - Cost		-	12,091,492
less: Accumulated Depreciation		-	(3,781,229)
		<u>135,514,683</u>	<u>103,528,680</u>
Car Parks - Fair Value		42,021,070	10,020,026
Car Parks - Additions after Valuation - Cost		-	1,863,916
less: Accumulated Depreciation		-	(1,288,488)
		<u>42,021,070</u>	<u>10,595,454</u>
Reserves - Fair Value		194,698,376	155,383,907
Reserves - Additions after Valuation - Cost		-	34,499,955
less: Accumulated Depreciation		-	(13,544,909)
		<u>194,698,376</u>	<u>176,338,953</u>
Works in Progress		<u>10,980,122</u>	<u>2,243,450</u>
		10,980,122	2,243,450
Total Infrastructure	8(b)	<u><u>1,937,817,466</u></u>	<u><u>1,564,991,352</u></u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given that additions were acquired at arms length, and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period valuations are reviewed and, where appropriate, fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)*, which requires property, plant and equipment to be shown at fair value.

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 8 Infrastructure Assets (continued)

(b) Movements in Carrying Amounts

		Roads	Drainage	Other Infrastructure	Pathways	Car Parks	Reserves	Works in Progress	Total
\$	Notes	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Balance as at 1 July 2015		978,381,792	186,207,183	49,386,480	98,726,452	10,627,997	165,478,014	982,608	1,489,790,526
Additions		59,119,870	16,238,433	3,654,600	6,756,341	298,304	17,229,756	3,567,094	106,864,398
Transfers from Works in Progress		294,407	562	3,750	3,646	125,000	38,844	(466,209)	-
Depreciation	2(a)	(14,681,520)	(2,473,161)	(3,847,581)	(1,957,759)	(455,847)	(6,407,661)	-	(29,823,529)
Infrastructure at 30 June 2016		1,023,114,549	199,973,017	49,197,249	103,528,680	10,595,454	176,338,953	4,083,493	1,566,831,395
Reclassification		-	-	-	-	-	-	(1,840,043)	(1,840,043)
Restated Balance as at 30 June 2016		1,023,114,549	199,973,017	49,197,249	103,528,680	10,595,454	176,338,953	2,243,450	1,564,991,352
Additions	20	43,773,456	5,126,773	2,699,940	5,103,455	188,694	16,178,868	9,833,691	82,904,877
Transfers from Works in Progress		434,165	21,265	27,741	141,668	291,604	180,576	(1,097,019)	-
Revaluation - Increments	13	69,760,627	170,379,072	11,990,583	28,794,668	31,365,613	9,424,347	-	321,714,910
Depreciation	2(a)	(15,268,034)	(2,676,769)	(3,950,419)	(2,053,788)	(420,295)	(7,424,368)	-	(31,793,673)
Infrastructure at 30 June 2017		1,121,814,763	372,823,358	59,965,094	135,514,683	42,021,070	194,698,376	10,980,122	1,937,817,466

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 9. Trade and Other Payables

	2017	2016
\$	Actual	Actual
Current Trade and Other Payables		
Trade Payables	22,466,183	20,537,802
Bonds and Security Deposits	5,546,166	4,399,736
Total Current Trade and Other Payables	28,012,349	24,937,538

Note 10. Long Term Borrowings

		2017	2016
\$	Notes	Actual	Actual
Non-Current Borrowings			
Secured by Floating Charge - Loans	23(a)	66,378,188	60,778,188
Total Non-Current Borrowings		66,378,188	60,778,188

Additional detail on borrowings is provided in Note 23.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 11. Provisions

	2017	2016
\$	Actual	Actual

Current Provisions

Provision for Annual Leave	5,828,433	5,390,128
Provision for Long Service Leave	5,784,339	5,163,413
Provision for Time in Lieu	98,942	107,824
Provision for Sick Leave	319,063	283,587
Provision for Additional Leave Agreement	71,001	97,175
Provision for Workers Compensation	4,518,238	3,736,691

Total Current Provisions

16,620,016	14,778,818
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Non-Current Provisions

Provision for Long Service Leave	1,619,272	1,421,226
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Total Non-Current Provisions

1,619,272	1,421,226
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Movements in Provisions

Class of Provision	2016	2017				
	Opening Balance as at 1/7/16	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/17
Provision for Annual Leave	5,390,128	5,624,372	(5,186,067)		-	5,828,433
Provision for Long Service Leave	6,584,639	1,544,986	(636,774)	(89,240)	-	7,403,611
Provision for Time in Lieu	107,824	166,251	(175,133)		-	98,942
Provision for Sick Leave	283,587	50,310	(14,834)		-	319,063
Provision for Additional Leave Agreement	97,175	307,482	(333,656)		-	71,001
Provision for Workers Compensation	3,736,691	2,286,992	(1,505,445)		-	4,518,238
TOTAL	16,200,044	9,980,393	(7,851,909)	(89,240)	-	18,239,288

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 12. Reserves - Cash/Investment Backed

\$	2017 Actual	2017 Budget	2016 Actual
(a) Alkimos/Eglinton Coastal Corridor Community Facilities Reserve			
Opening Balance	10,225,362	10,395,200	8,393,577
Amount Set Aside/Transfer to Reserve	1,186,783	1,422,856	1,921,701
Amount Used/Transfer from Reserve	(70,943)	(79,200)	(89,916)
	<u>11,341,202</u>	<u>11,738,856</u>	<u>10,225,362</u>
(b) Asset Renewal Reserve			
Opening Balance	7,012,070	7,000,000	-
Amount Set Aside/Transfer to Reserve	4,237,980	4,210,000	7,012,070
	<u>11,250,050</u>	<u>11,210,000</u>	<u>7,012,070</u>
(c) Asset Replacement Reserve			
Opening Balance	4,498,742	4,378,227	4,719,983
Amount Set Aside/Transfer to Reserve	2,124,540	4,531,347	915,898
Amount Used/Transfer from Reserve	(1,837,133)	(1,889,660)	(1,137,139)
	<u>4,786,149</u>	<u>7,019,914</u>	<u>4,498,742</u>
(d) Butler Collaborative Planning Agreement Reserve			
Opening Balance	2,878,128	2,868,983	2,792,198
Amount Set Aside/Transfer to Reserve	82,355	86,070	85,930
	<u>2,960,483</u>	<u>2,955,053</u>	<u>2,878,128</u>
(e) Carried Forward Capital Projects Reserve			
Opening Balance	9,515,574	9,515,574	10,011,748
Amount Set Aside/Transfer to Reserve	5,524,685	-	9,515,574
Amount Used/Transfer from Reserve	(9,515,574)	(9,515,574)	(10,011,748)
	<u>5,524,685</u>	<u>-</u>	<u>9,515,574</u>
(f) Commercial Refuse Reserve			
Opening Balance	-	-	2,072,690
Amount Set Aside/Transfer to Reserve	-	-	58,053
Amount Used/Transfer from Reserve	-	-	(2,130,743)
	<u>-</u>	<u>-</u>	<u>-</u>

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 12. Reserves - Cash/Investment Backed (continued)

\$	2017 Actual	2017 Budget	2016 Actual
(g) Coastal Infrastructure Management Reserve			
Opening Balance	6,042,049	6,019,955	-
Amount Set Aside/Transfer to Reserve	1,448,339	1,180,599	6,042,049
	7,490,388	7,200,554	6,042,049
(h) Domestic Refuse Reserve			
Opening Balance	8,346,169	7,348,734	5,343,797
Amount Set Aside/Transfer to Reserve	238,507	220,462	3,136,336
Amount Used/Transfer from Reserve	(12,958)	(1,092,000)	(133,964)
	8,571,718	6,477,196	8,346,169
(i) Fleming Park Lake Reserve			
Opening Balance	213,913	213,233	207,526
Amount Set Aside/Transfer to Reserve	6,121	6,397	6,387
	220,034	219,630	213,913
(j) Golf Course Reserve			
Opening Balance	1,465,539	1,398,113	1,261,734
Amount Set Aside/Transfer to Reserve	469,933	391,943	452,124
Amount Used/Transfer from Reserve	(341,918)	(412,500)	(248,319)
	1,593,554	1,377,556	1,465,539
(k) Home and Community Care Asset Replacement Reserve			
Opening Balance	541,505	550,912	506,970
Amount Set Aside/Transfer to Reserve	77,621	46,527	34,535
	619,126	597,439	541,505
(l) Land Acquisition Reserve			
Opening Balance	2,117,746	2,070,743	1,572,499
Amount Set Aside/Transfer to Reserve	60,595	562,122	547,956
Amount Used/Transfer from Reserve	(166)	-	(2,709)
	2,178,175	2,632,865	2,117,746

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 12. Reserves - Cash/Investment Backed (continued)

\$	2017 Actual	2017 Budget	2016 Actual
(m) Leave Liability Reserve			
Opening Balance	1,460,204	1,486,033	1,397,599
Amount Set Aside/Transfer to Reserve	248,308	94,581	62,605
	<u>1,708,512</u>	<u>1,580,614</u>	<u>1,460,204</u>
(n) Loan Repayment Reserve			
Opening Balance	18,569,409	19,668,690	15,573,746
Amount Set Aside/Transfer to Reserve	2,368,541	2,423,394	2,995,663
	<u>20,937,950</u>	<u>22,092,084</u>	<u>18,569,409</u>
(o) Materials Recovery Facility Upgrade Reserve			
Opening Balance	94,189	-	91,377
Amount Set Aside/Transfer to Reserve	2,695	-	2,812
Amount Used / Transfer from Reserve	(96,884)	-	-
	<u>-</u>	<u>-</u>	<u>94,189</u>
(p) Neerabup Development Reserve			
Opening Balance	4,694,253	4,620,594	5,645,389
Amount Set Aside/Transfer to Reserve	132,270	138,618	173,086
Amount Used/Transfer from Reserve	(302,413)	(1,448,750)	(1,124,222)
	<u>4,524,110</u>	<u>3,310,462</u>	<u>4,694,253</u>
(q) Plant Replacement Reserve			
Opening Balance	5,684,841	5,282,490	3,562,426
Amount Set Aside/Transfer to Reserve	6,084,225	6,500,330	6,697,708
Amount Used/Transfer from Reserve	(1,678,612)	(7,244,559)	(4,575,293)
	<u>10,090,454</u>	<u>4,538,261</u>	<u>5,684,841</u>
(r) Regional Open Space Reserve			
Opening Balance	5,012,070	5,000,000	-
Amount Set Aside/Transfer to Reserve	143,415	150,000	5,012,070
	<u>5,155,485</u>	<u>5,150,000</u>	<u>5,012,070</u>

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 12. Reserves - Cash/Investment Backed (continued)

\$	2017 Actual	2017 Budget	2016 Actual
(s) Section 152 Reserve (formerly Section 20A Land Reserve)			
Opening Balance	1,545,681	1,540,770	1,499,533
Amount Set Aside/Transfer to Reserve	44,228	46,223	46,148
	<u>1,589,909</u>	<u>1,586,993</u>	<u>1,545,681</u>
(t) Strategic Projects/Initiatives Reserve			
Opening Balance	74,443,227	62,352,417	81,160,162
Amount Set Aside/Transfer to Reserve	18,845,128	2,838,428	15,281,995
Amount Used/Transfer from Reserve	(21,980,857)	(13,782,244)	(21,998,930)
	<u>71,307,498</u>	<u>51,408,601</u>	<u>74,443,227</u>
(u) Sustainability Investment Reserve (formerly Environmental Initiatives Reserve)			
Opening Balance	75,383	91,164	120,732
Amount Set Aside/Transfer to Reserve	52,157	52,735	53,515
Amount Used/Transfer from Reserve	-	(50,000)	(98,864)
	<u>127,540</u>	<u>93,899</u>	<u>75,383</u>
(v) TPS 20 - District Distributor Road Headworks Reserve			
Opening Balance	6,584,185	6,563,272	6,387,614
Amount Set Aside/Transfer to Reserve	188,391	196,899	196,571
	<u>6,772,576</u>	<u>6,760,171</u>	<u>6,584,185</u>
(w) Yanchep Bus Reserve			
Opening Balance	95,660	93,799	172,405
Amount Set Aside/Transfer to Reserve	2,737	7,814	44,329
Amount Used/Transfer from Reserve	-	-	(121,074)
	<u>98,397</u>	<u>101,613</u>	<u>95,660</u>
(x) Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve			
Opening Balance	165,179	1,102,932	1,022,981
Amount Set Aside/Transfer to Reserve	1,445,333	654,088	389,729
Amount Used/Transfer from Reserve	(1,318,029)	(2,166,811)	(1,247,531)
	<u>292,483</u>	<u>(409,791)</u>	<u>165,179</u>
Total Reserves	<u><u>179,140,478</u></u>	<u><u>147,641,970</u></u>	<u><u>171,281,078</u></u>

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 12. Reserves - Cash/Investment Backed (continued)

	2017	2017	2016
\$	Actual	Budget	Actual
Summary of Reserve Transfers			
Transfers to Reserves			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	1,186,783	1,422,856	1,921,701
Asset Renewal Reserve	4,237,980	4,210,000	7,012,070
Asset Replacement Reserve	2,124,540	4,531,347	915,898
Butler Collaborative Planning Agreement Reserve	82,355	86,070	85,930
Carried Forward Capital Projects Reserve	5,524,685	-	9,515,574
Commercial Refuse Reserve	-	-	58,053
Coastal Infrastructure Management Reserve	1,448,339	1,180,599	6,042,049
Domestic Refuse Reserve	238,507	220,462	3,136,336
Fleming Park Lake Reserve	6,121	6,397	6,387
Golf Course Reserve	469,933	391,943	452,124
Home and Community Care Asset Replacement Reserve	77,621	46,527	34,535
Land Acquisition Reserve	60,595	56,122	547,956
Leave Liability Reserve	248,308	94,581	62,605
Loan Repayment Reserve	2,368,541	2,423,394	2,995,663
Materials Recovery Facility Upgrade Reserve	2,695	-	2,812
Neerabup Development Reserve	132,270	138,618	173,086
Plant Replacement Reserve	6,084,225	6,500,330	6,697,708
Regional Open Space Reserve	143,415	150,000	5,012,070
Section 152 Reserve (formerly Section 20A Land Reserve)	44,228	46,223	46,148
Strategic Projects/Initiatives Reserve	18,845,128	2,838,428	15,281,995
Sustainability Investment Reserve (formerly Environmental Initiatives Reserve)	52,157	52,735	53,515
Town Planning Scheme 20 - District Distributor Road			
Headworks Reserve	188,391	196,899	196,571
Yanchep Bus Reserve	2,737	7,814	44,329
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	1,445,333	654,088	389,729
Total Transfers to Reserves	45,014,887	25,761,433	60,684,844

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 12. Reserves - Cash/Investment Backed (continued)

\$	2017 Actual	2017 Budget	2016 Actual
Transfers from Reserves			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	(70,943)	(79,200)	(89,916)
Asset Replacement Reserve	(1,837,133)	(1,889,660)	(1,137,139)
Carried Forward Capital Projects Reserve	(9,515,574)	(9,515,574)	(10,011,748)
Commercial Refuse Reserve	-	-	(2,130,743)
Domestic Refuse Reserve	(12,958)	(1,092,000)	(133,964)
Golf Course Reserve	(341,918)	(412,500)	(248,319)
Land Acquisition Reserve	(166)	-	(2,709)
Materials Recovery Facility Upgrade Reserve	(96,884)	-	-
Neerabup Development Reserve	(302,413)	(1,448,750)	(1,124,222)
Plant Replacement Reserve	(1,678,612)	(7,244,559)	(4,575,293)
Strategic Projects/Initiatives Reserve	(21,980,857)	(13,782,244)	(21,998,930)
Sustainability Investment Reserve (formerly Environmental Initiatives Reserve)	-	(50,000)	(98,864)
Yanchep Bus Reserve	-	-	(121,074)
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	(1,318,029)	(2,166,811)	(1,247,531)
Total Transfers from Reserves	(37,155,487)	(37,681,298)	(42,920,452)
Total Net Transfer to/(from) Reserves	7,859,400	(11,919,865)	17,764,392

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in Note 3 to this financial report.

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Alkimos/Eglinton Coastal Corridor Community Facilities Reserve

To be used for accumulating Developer Contributions for the capital funding of community facilities and associated costs related to the administration and implementation of the Developer Contribution Plan in the Alkimos/Eglinton Development Contribution Area.

Asset Renewal Reserve

To be used for funding of asset renewal and upgrade works.

Asset Replacement Reserve

To be used for receiving the proceeds of the sale of significant property assets. Funds held are to be used in acquiring new or replacement assets for the City.

Butler Collaborative Planning Agreement Reserve

To be used for meeting future maintenance costs of infrastructure in Stage 1, Brighton Estate, Butler as established in the Butler Collaborative Planning Agreement and any such other related expenditure provided such expenditure shall be within the Brighton Estate.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 12. Reserves - Cash/Investment Backed (continued)

Carried Forward Capital Projects Reserve

To be used for accumulating funds to support the municipally funded carried forward capital works.

Commercial Refuse Reserve

To be used for additional requirements, specifically needed for the provision of the commercial refuse collection service. Now closed.

Coastal Infrastructure Management Reserve

To be used for accumulating funds to support Coastal Infrastructure capital works.

Domestic Refuse Reserve

To be used for additional requirements specifically needed for the provision of the domestic collection service.

Fleming Park Lake Reserve

To be used for holding funds provided by the developer for the upkeep and maintenance of the Fleming Park Lake.

Golf Course Reserve

To be used for the capital improvement of the Carramar and Marangaroo Golf Courses.

Home and Community Care Asset Replacement Reserve

To be used for replacing Council's assets where the funding of the original asset was from HACC. This is a requirement of the operating funding agreement with HACC.

Land Acquisition Reserve

To be used for purchasing municipal land for road and drainage purposes.

Leave Liability Reserve

To be used for cashing back the liability of the City for long service leave and annual leave.

Loan Repayment Reserve

To be used for setting aside adequate funds over time to repay loan commitments per the City's Long Term Financial Management Plans Debt Management Policy.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 12. Reserves - Cash/Investment Backed (continued)

Materials Recovery Facility Upgrade Reserve

To be used for setting aside funds (contributed by the Cities of Swan, Joondalup and Wanneroo) for the refitting of the Materials Recovery Facility. This reserve operates under a service agreement between the Cities of Wanneroo, Joondalup and Swan. The deficiency of funding will be contributed by equal share by the three Cities, should budgeted capital projects proceed. Now closed.

Neerabup Development Reserve

To be used for meeting the associated cost of developing the City's investment land in Neerabup.

Plant Replacement Reserve

To be used for replacing Council's plant and equipment.

Regional Open Space Reserve

To be used for accumulating funds to support regional open space capital works.

Section 152 Reserve (formerly Section 20A Land Reserve)

To be used for capital improvements on recreation reserves in the general locality from which funds were sourced.

Strategic Projects/Initiatives Reserve

To be used for accumulating funds to be used for the introduction of new or upgrade of existing services, maintenance, renewal, upgrade of existing assets and purchase of new assets or project works of the City over an expected period of 10 years. The annual funds transfer is derived from the rate setting surplus less municipal funding of capital works carried forward.

Sustainability Investment Reserve (formerly Environmental Initiatives Reserve)

To be used for the provision of funding future costs associated with environmental needs and initiatives.

TPS 20 - District Distributor Road Headworks Reserve

To be used for the construction of District Distribution Roads associated with Town Planning Scheme 20.

Yanchep Bus Reserve

To be used for accumulating funds from the Yanchep Community for the costs associated with the replacement of the community bus.

Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve

To be used for the purpose of accumulating Developer Contributions for the capital funding of community facilities and associated costs related to the administration and implementation of the Developer Contribution Plan in the Yanchep/Two Rocks Development Contribution Area.

The majority of these reserves are not expected to be used within a set period. Further transfers to the reserve accounts are expected to occur as funds are utilised.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 13. Reserves - Asset Revaluation

\$	Notes	2017 Actual	2016 Actual
Asset revaluation reserves have arisen on revaluation of the following classes of assets:			
(a) Land			
Opening Balance		321,428,173	321,428,173
Revaluation Increment	7(b)	-	-
Revaluation Decrement	7(b)	-	-
		321,428,173	321,428,173
(b) Buildings			
Opening Balance		82,686,540	82,686,540
Revaluation Increment	7(b)	-	-
Revaluation Decrement	7(b)	-	-
		82,686,540	82,686,540
(c) Artworks			
Opening Balance		246,092	246,092
Revaluation Increment	7(b)	-	-
Revaluation Decrement	7(b)	-	-
		246,092	246,092
(d) Equity Accounted Investments			
Opening Balance		4,917,697	936,755
Revaluation Increment	17(b)(ii)	44,779	3,981,136
Revaluation Decrement	17(a)(ii)	-	(194)
		4,962,476	4,917,697
(e) Infrastructure Assets			
Opening Balance		565,602,357	565,602,357
Revaluation Increment	8(b)	321,714,910	-
Revaluation Decrement	8(b)	-	-
		887,317,267	565,602,357
Total Asset Revaluation Reserves		1,296,640,548	974,880,859

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 14. Notes to the Statement of Cash flows

\$	Notes	2017 Actual	2017 Budget	2016 Actual
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(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

Cash and Cash Equivalents	3	<u>359,431,307</u>	<u>270,303,521</u>	<u>319,626,869</u>
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(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	101,176,783	78,202,262	104,671,041
Depreciation	40,650,505	40,054,948	36,710,312
(Profit)/Loss on Sale of Assets	(1,913,002)	(3,306,662)	(4,228,467)
Share of Net (Profits) of Associates	(53,258)	-	(509,291)
Loss on revaluation of plant and equipment	-	-	660,445
Town Planning Scheme Income (Inc. Interest)	(14,663,820)	(22,569,911)	(16,957,469)
Town Planning Scheme Expenses	7,090,210	18,600,500	15,012,347
Decrease/(Increase) in Receivables	699,242	(94,581)	512,974
Decrease/(Increase) in Provision for Doubtful Debts	(159,952)	-	(13,071)
Decrease/(Increase) in Inventories	29,933	-	(15,448)
Increase/(Decrease) in Payables & Accruals	3,074,811	-	3,077,733
Increase/(Decrease) in Employee Leave Entitlements	586,216	-	(33,660)
Increase/(Decrease) in Other Provisions	1,453,028	94,581	1,485,772
Grants/Contributions for the Development of Assets	(83,706,469)	(69,224,353)	(90,719,111)
Net Cash from Operating Activities	<u>54,264,227</u>	<u>41,756,784</u>	<u>49,654,107</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft Limit	1,000,000	1,000,000	1,000,000
Bank Overdraft at Balance Date	-	-	-
Credit Card Limit*	550,000	305,500	550,000
Credit Card Balance at Balance Date	(17,323)	(150,000)	(22,274)
Total Amount of Credit Unused	<u>1,532,677</u>	<u>1,155,500</u>	<u>1,527,726</u>

* The City of Wanneroo currently has the facility credit limit of \$550,000 (2016: \$550,000) with total amount of credit cards currently in use is \$298,500 (2016: \$355,500).

Loan Facilities

Loan Facilities - Non-Current	10	66,378,188	71,878,188	60,778,188
Total Facilities in Use at Balance Date		<u>66,378,188</u>	<u>71,878,188</u>	<u>60,778,188</u>

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Contingent Liabilities and Contingent Assets

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but disclosure of existence is considered relevant to the users of Council's Financial Report.

Liabilities not recognised:

(a) Guarantees

- (i) In line with the other equity holders in the Mindarie Regional Council (MRC) the City has accepted the contingent liability resulting from the provision of an irrevocable financial guarantee on behalf of MRC for its contractual liability to the Contractor undertaking the operation of the Resource Recovery Facility. The extent of the City's contingent liability is contingent on the type of default and whilst proportional and several (not joint and several) and is either limited to:

- (1) in case of termination, one sixth of any subsequent payment to the Contractor and the maximum amount that may be payable by the City under the Guarantee is one sixth of \$101.5M amounting to \$16.91M; and
- (2) in case of the MRC has failed to pay its normal operating obligations under the Resource Recovery Facility Agreement, the maximum amount that may be payable by the City under the Guarantee is \$1.13M per month.

The term of the guarantee is 20 years unless the MRC liability under the agreement with the contractor is fully extinguished earlier. This guarantee expires on 15 July 2027.

(b) Bank Guarantees

The City of Wanneroo currently holds bank guarantees of \$125,330,460 (2016: \$23,202,090) with respect to commercial customers and property developers.

(c) Other

- (i) The City compulsorily acquired a portion of land at Lot 3 (185) Mary Street Wanneroo under the Land Administration Act 1997 (WA). The City's valuation (expert and legal advice) is in the vicinity of \$1,239,000. However, the claimants' compensation claim is \$2,150,000. The City paid \$1,156,850 on 24 August 2012 and the claimant is pursuing their claim. The matter has been mediated without resolution and will be scheduled for hearing in the Supreme Court. Subject to the decision of the Supreme Court, the City could be liable to pay the claimant the difference between what the City has already paid and the amount the claimant has claimed.
- (ii) The City compulsorily acquired a portion of land at Lot 6 (359) Gngara Road Wangara under the Land Administration Act 1997 (WA). The City's valuation (expert and legal advice) is in the vicinity of \$1,623,300 however the claimants' compensation claim is \$9,093,574. The City paid \$1,460,970 on 29 July 2011 however the claimant pursued their claim in the Supreme Court. The matter was heard in the Supreme Court in late 2016 with judgement handed down on 26 October 2017 awarding the claimant the amount of \$1,916,937 plus applicable interest. The City is required to pay the claimant the difference between what the City has already paid and the amount the Supreme Court awarded plus the applicable interest amounting to \$457,742.
- (iii) The City is currently in dispute in relation to parcel of land at Lot 1 and 8 Wanneroo Road Wanneroo. The landowner has lodged a claim for compensation for injurious affection against the City and the Western Australian Planning Commission for the amount of \$14,085,000. The City's exposure is the amount of \$12,490,500. The landowner claims \$12,490,500 compensation for injurious affection to a land area of 1.1266 hectares. On the current Cell value, the area would attract \$1,950,000 per hectare acquisition value, totalling \$2,196,870. The matter was heard both in the State Administrative Tribunal (SAT) and then on appeal to the Supreme Court in which the City was successful on both occasions. The claimant has further appealed to the full bench of the Supreme Court with the matter to be heard in 2017. The City has not yet acquired this land.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Contingent Liabilities and Contingent Assets (continued)

(iv) In accordance with District Planning Scheme No. 2, contributions have been collected to undertake infrastructure and capital works in respect of East Wanneroo (Cells 1 to 9). Excess contributions (after all infrastructure and capital works, and all other deductions) are required to be distributed back to the parties that made the contributions. The unspent funds at any time is recorded with the Town Planning Schemes Equity section of the Statement of Financial Position.

Note 16. Capital and Leasing Commitments

	2017	2016
\$	Actual	Actual
Capital Expenditure Commitments		
Contracted for:		
- Land and Building Works	8,881,800	21,967,128
- Engineering Works	1,559,185	5,871,145
- Parks Works	1,219,172	1,732,854
- Plant & Equipment Purchases	1,203,617	361,870
Total Capital Expenditure Commitments	12,863,774	29,932,997
Payable:		
- Not later than one year	12,863,774	29,932,997
Total Capital Expenditure Commitments	12,863,774	29,932,997

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 17 Equity Accounted Investments

(a) Tamala Park Regional Council

The City of Wanneroo, along with the City of Perth, City of Joondalup, City of Stirling, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. The establishment of the Tamala Park Regional Council was pursuant to Section 3.61 of the *Local Government Act 1995*. The Tamala Park Regional Council formally came into existence on the 3 February 2006. The Tamala Park Regional Council's activities centre around the development of Mindarie lot 9504 on Deposit Plan 52070. Lot 9504 (subdivided from Lot 118) was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council, this lot is now being developed with a purpose of creating a new urban land development and a new urban community. The City of Wanneroo will contribute one sixth of any funding required for capital or operating costs and also receive one sixth of net proceeds.

	2017	2016
\$	Actual	Actual

(i) Retained Surplus Attributable to Equity Accounted Investments

Balance at beginning of the financial year	226,100	142,792
Share of Profit from activity after tax	46,690	83,308
Balance at end of the Financial Year	272,790	226,100

(ii) Carrying Amount of Equity Accounted Investments

Balance at beginning of the financial year	8,203,429	8,015,712
Share of profit/(loss) from activity after tax	46,690	83,308
Share of Revaluation of Assets	-	(194)
Distribution to participants	(1,833,333)	(2,500,001)
Movement in Capital Contributions	448,794	2,604,604
Balance at end of the Financial Year	6,865,580	8,203,429

The City's interest in the Regional Council as at 30 June 2017 and 30 June 2016 is as follows:

Interest in Regional Council	6,865,580	8,203,429
Current Assets	6,587,378	7,923,410
Non-Current Assets	324,981	321,895
Total Assets	6,912,359	8,245,305
Current Liabilities	(46,346)	(32,434)
Non-Current Liabilities	(433)	(9,442)
Total Liabilities	(46,779)	(41,876)
Net Assets	6,865,580	8,203,429

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 17. Equity Accounted Investments (continued)

(b) Mindarie Regional Council

The City of Wanneroo, along with the City of Perth, City of Joondalup, City of Stirling, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Mindarie Regional Council. The Mindarie Regional Council's objective is to establish and operate a long term refuse disposal site on Mindarie Lot 9504 on Deposit Plan 52070. The City of Wanneroo has contributed one sixth of the land and establishment costs of the refuse disposal facility. The City uses the refuse disposal facility at Mindarie to deposit all non recyclable waste collected by the City's domestic waste services. Capital contributions paid during establishment are represented in the accounts of the City of Wanneroo as a Non-Current Asset.

	2017	2016
\$	Actual	Actual

(i) Retained Surplus Attributable to Equity Accounted Investments

Balance at beginning of the financial year	5,299,185	4,873,202
Share of (Loss)/Profit from activity after tax	(3,354)	425,983
Adjustment on Asset Disposal	9,922	-
Balance at end of the Financial Year	5,305,753	5,299,185

(ii) Carrying Amount of Equity Accounted Investments

Balance at beginning of the financial year	10,837,035	6,385,241
Share of profit/(loss) from activity after tax	(3,354)	425,983
Adjustment on Asset Disposal	9,922	-
Share of Revaluation of assets	44,779	3,981,136
Movement in Capital Contributions	47,441	44,675
Balance at end of the Financial Year	10,935,823	10,837,035

The City's interest in the regional council as at 30 June 2017 and 30 June 2016 is as follows:

Interest in Regional Council	10,935,823	10,837,035
Current Assets	4,863,624	4,760,650
Non-Current Assets	9,995,588	10,564,436
Total Assets	14,859,212	15,325,086
Current Liabilities	(1,159,909)	(1,776,583)
Non-Current Liabilities	(2,763,480)	(2,711,468)
Total Liabilities	(3,923,389)	(4,488,051)
Net Assets	10,935,823	10,837,035
Total Carry Amount - Equity Accounted Investments	17,801,403	19,040,464

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 18. Trust Funds

	Balance 01-Jul-16	Amounts Received	Amounts Paid	Balance 30-Jun-17
\$				
Miscellaneous/Appeals	34,832	5,748	(8,661)	31,919
Public Open Space	2,864,948	228,945	-	3,093,893
	<u>2,899,780</u>	<u>234,693</u>	<u>(8,661)</u>	<u>3,125,812</u>

Note 19. Total Assets Classified by Function and Activity

	2017 Actual	2016 Actual
\$		
Governance	55,466,515	38,923,282
Law, Order, Public Safety	1,949,607	1,743,809
Health	2,512,190	2,525,018
Education & Welfare	3,064,653	3,564,672
Community Amenities	58,767,466	55,654,885
Recreation & Culture	634,333,899	581,592,298
Transport	1,672,203,885	1,342,763,242
Economic Services	1,715,923	1,985,632
Other Property & Services	82,047,987	81,452,285
Unallocated (Assets other than Fixed Assets)	399,456,131	367,662,606
	<u>2,911,518,256</u>	<u>2,477,867,729</u>

Note 20. Acquisition of Assets

	2017 Actual	2017 Budget
\$		
By Class		
<i>Property, Plant & Equipment</i>	7(b)	
- Buildings	5,450,238	51,162,468
- Furniture and Equipment	2,140,322	5,309,971
- Plant and Equipment	3,030,040	5,799,358
- Works in Progress	20,074,549	-
<i>Infrastructure</i>	8(b)	
- Roads	43,773,456	59,222,982
- Drainage	5,126,773	6,295,000
- Other Infrastructure	2,699,940	-
- Pathways	5,103,455	3,695,000
- Car Parks	188,694	-
- Reserves	16,178,868	10,943,608
- Works in Progress	9,833,691	-
	<u>113,600,026</u>	<u>142,428,387</u>

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 20. Acquisition of Assets (continued)

	2017	2017
\$	Actual	Budget

The City received assets to the value of \$46,668,551 from developers. The value of these assets is included in total value of Acquisition of Assets \$113,600,025 on page 55. The value of the assets by Class are as follows:

Infrastructure

- Roads	30,280,800	41,000,000
- Drainage	5,071,199	6,000,000
- Parks & Gardens	6,531,388	3,000,000
- Pathways	4,785,164	-
	46,668,551	50,000,000

Note 21. Disposal of Assets

	Notes	Net Book Value		Sale Price		Profit/(Loss)	
\$		Actual	Budget	Actual	Budget	Actual	Budget

The following assets were disposed of during the year.

By Program

Governance	5,205	-	(5,205)	-
Other Property and Services	2,523,990	2,174,381	4,442,197	5,481,043
	2,529,195	2,174,381	4,442,197	5,481,043

By Class

<i>Land Held for Resale</i>	1,339,299	926,671	3,322,186	4,233,333	1,982,887	3,306,662
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Property, Plant & Equipment 7(b)

Furniture and Equipment	5,205	-	(5,205)	-
Plant and Equipment	1,184,691	1,247,710	1,120,011	1,247,710
	2,529,195	2,174,381	4,442,197	5,481,043

Total

	2017	2017	2016
\$	Actual	Budget	Actual

Summary

Profit on Asset Disposals	2,136,186	3,806,662	4,708,829
Loss on Asset Disposals	(223,184)	(500,000)	(480,362)
Net Profit/(Loss) on Disposal of Assets	1,913,002	3,306,662	4,228,467

City of Wanneroo

Notes to the Financial Statements for the year ended 30 June 2017

Note 22. Financial Ratios

	2017	2016	2015
<i>Liquidity Ratio</i>			
1. Current Ratio ⁽¹⁾			
Current Assets less Restricted Current Assets	0.86 : 1	0.88 : 1	0.85 : 1
Current Liabilities less Liabilities Associated with Restricted Assets			
<i>Debt Ratio</i>			
2. Debt Service Cover Ratio ⁽²⁾			
Operating Surplus before Interest and Depreciation Expense	14.86 : 1	13.26 : 1	21.74 : 1
Principal and Interest Repayments			
<i>Coverage Ratio</i>			
3. Own Source Revenue Coverage Ratio ⁽³⁾			
Own Source Operating Revenue	1.00 : 1	1.02 : 1	1.14 : 1
Operating Expense			
<i>Financial Performance Ratio</i>			
4. Operating Surplus Ratio ⁽⁴⁾			
Operating Revenue less Operating Expense	0.09 : 1	0.08 : 1	0.21 : 1
Own Source Operating Revenue			
<i>Asset Management Ratios</i>			
5. Asset Consumption Ratio ⁽⁵⁾			
Depreciated Replacement Cost of Depreciable Assets	0.73 : 1	0.73 : 1	0.84 : 1
Current Replacement Cost of Depreciable Assets			
6. Asset Sustainability Ratio ⁽⁶⁾			
Capital Renewal and Replacement Expenditure	0.23 : 1	0.28 : 1	0.31 : 1
Depreciation Expense			
7. Asset Renewal Funding Ratio ⁽⁷⁾			
NPV of Planned Capital Renewals over 10 years	0.74 : 1	0.72 : 1	0.74 : 1
NPV of Required Capital Expenditure over 10 years			

Notes

⁽¹⁾ This ratio is designed to focus on the liquidity position of the Council that has arisen from past year's transactions.

⁽²⁾ This ratio is the measurement of Council's ability to repay its debt including lease payments.

⁽³⁾ This ratio is the measurement of Council's ability to cover its costs through its own revenue efforts.

⁽⁴⁾ This ratio is a measure of Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.

⁽⁵⁾ This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

⁽⁶⁾ This ratio indicates whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

⁽⁷⁾ This ratio is a measure of the ability of Council to fund its projected asset renewal/replacements in the future.

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 23. Information on Borrowings

	Principal 01-Jul-16 Actual	Interest Repayments Actual Budget		Principal 30-Jun-17 Actual Budget	
\$					
(a) Loan Repayments					
Loan 1					
Recreation & Culture					
- Wanneroo Regional Museum and Library	10,416,178	705,375	705,175	10,416,178	10,416,178
- Construct Community Centre - Butler	278,000	18,826	18,821	278,000	278,000
- Develop Accessible and Inclusive Playgrounc	222,000	15,034	15,029	222,000	222,000
- Kingsway Regional Sporting Complex	20,840,902	1,411,329	1,413,040	20,840,902	20,840,902
- Upgrade Aquamotion	7,926,000	536,742	536,590	7,926,000	7,926,000
- Yanchep Active Open Space	56,460	3,823	3,822	56,460	56,460
- Kingsway Regional Playground	650,000	44,017	44,005	650,000	650,000
- Yanchep Lagoon - Brazier Road Realignmen	3,859,181	261,341	260,743	3,859,181	3,859,181
- Yanchep Surf Life Saving Club	1,157,500	78,385	103,581	1,157,500	1,157,500
- Southern Suburbs Library	5,800,000	392,771	392,660	5,800,000	5,800,000
Transport					
- Pinjar Road - Wanneroo and Carosa Road	728,849	49,357	49,343	728,849	728,849
- Upgrade Rocca Way Dundebarr Road	54,715	3,705	3,704	54,715	54,715
- Flynn Drive Neerabup - Construct Road	3,367,220	228,025	175,132	3,367,220	3,367,220
Other Property & Services					
- Develop Industrial Estate - Neerabup	317,887	21,527	21,521	317,887	317,887
- Redevelop Wanneroo Townsite	1,214,615	82,253	82,229	1,214,615	1,214,615
- Redevelop Koondoola Precinct	1,293,000	87,561	87,536	1,293,000	1,293,000
- Develop Wangara Industrial Area (Lot 257)	43,857	2,970	33,647	43,857	43,857
- Develop Wangara Industrial Area (Lot 15)	2,550,024	172,685	167,982	2,550,024	2,550,024
- Lot 12 Fowey Loop	1,800	(1,043)	122	1,800	1,800

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 23. Information on Borrowings (continued)

	Principal 01-Jul-16 Actual	Interest Repayments Actual Budget	Principal 30-Jun-17 Actual Budget
\$			
(a) Loan Repayments (continued)			
Loan 2			
Recreation & Culture		500,000	11,100,000
- Yanchep Active Open Space Oval Ground Works	-	9,507	-
- Yanchep District Playing Fields	-	21,338	-
- Yanchep District Sports Amenities Building Stage 1	-	4,030	-
- Yanchep Surf Life Saving Club	-	16,446	-
	<u>60,778,188</u>	<u>4,166,004</u>	<u>66,378,188</u>
(b) New Loans			
Loan 2			
Recreation & Culture		500,000	11,100,000
- Yanchep Active Open Space Oval Ground Works	-	9,507	-
- Yanchep District Playing Fields	-	21,338	-
- Yanchep District Sports Amenities Building Stage 1	-	4,030	-
- Yanchep Surf Life Saving Club	-	16,446	-
	<u>-</u>	<u>51,321</u>	<u>5,600,000</u>

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 23. Information on Borrowings (continued)

	Date Borrowed	Balance* 01-Jul-16	Borrowed During Year	Expended During Year	Balance 30-Jun-17
\$					
(c) Unspent Loans					
Loan 1					
Recreation & Culture					
Kingsway Regional Sporting Complex	1 Dec 2006	1,950,832	-	(52,600)	1,898,232
Southern Suburbs Library	1 Dec 2006	5,800,000	-	-	5,800,000
Transport					
Flynn Drive Neerabup - Construct Road	1 Dec 2006	2,152,895	-	(341,555)	1,811,340
Other Property & Services					
Develop Wangara Industrial Area (Lot 15)	1 Dec 2006	1,389,000	-	(35,458)	1,353,542
Loan 2					
Yanchep Development Area Projects					
Yanchep Active Open Space Oval Ground Works		-	1,037,331	(1,037,331)	-
Yanchep District Playing Fields		-	2,328,272	(2,167,396)	160,876
Yanchep District Sports Amenities Building Stage 1		-	439,828	(439,828)	-
Yanchep Surf Life Saving Club		-	1,794,569	(1,794,569)	-
		11,292,727	5,600,000	(5,868,737)	11,023,990

* Under Section 6.20(4)(a) of the *Local Government Act 1995*, a change in purpose of the use of borrowings can be disclosed in the annual budget. This was done so as part of the 2016/17 Budget. As such, the table above indicates the resulting change in the unspent balance in column "Balance 01-Jul-16" resulting from the change of purpose of borrowings.

(d) Overdraft

The City operates separate bank accounts for the each of its Town Planning Schemes and Structure plans as recorded in Note 14. In addition to these bank accounts, the City uses four operating bank accounts, the Municipal Fund, Advance Account, Reserve Account and Trust Fund. The grouped total of these limits is \$1,000,000 and no overdraft was required as at 30 June 2016 or 30 June 2017.

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 24. Rating Information (2016/17 Financial Year)

	Rate in \$	Number of	Rateable	Rate	Interim	Back	Total	Budget	Budget	Budget	Budget
		Properties	Value	Revenue	Rates	Rates	Revenue	Rate	Interim	Back	Total
\$	Notes							Revenue	Rate	Rate	Revenue
Rate Type											
Differential General Rate											
GRV - Residential Improved	7.7581	50,353	1,064,161,232	82,558,688	3,631,480	-	86,190,168	82,511,129	1,820,925		84,332,054
GRV - Residential Vacant	11.8820	3,129	60,033,460	7,133,177	(940,474)	-	6,192,703	7,134,085			7,134,085
GRV - Commercial/Industrial Improved	6.3874	2,612	311,169,944	19,875,669	626,774	-	20,502,443	19,783,829	436,606		20,220,435
GRV - Commercial/Industrial Vacant	5.9420	176	14,353,250	852,870	(112,762)	-	740,108	869,627			869,627
UV - Residential Improved	0.3568	187	163,124,845	582,029	(2,621)	-	579,408	582,029	12,845		594,874
UV - Residential Vacant	0.5283	98	675,330,000	3,567,768	(20,030)	-	3,547,738	3,567,768			3,567,768
UV - Commercial/Industrial Improved	0.2697	38	78,232,042	210,992	(17,367)	-	193,625	209,508	4,624		214,132
UV - Commercial/Industrial Vacant	0.2957	9	26,320,000	77,828	19,541	-	97,369	77,828			77,828
UV - Rural and Mining Improved	0.3500	404	647,985,467	2,267,949	(88,269)	-	2,179,680	2,267,949			2,267,949
UV - Rural and Mining Vacant	0.3809	84	90,060,000	343,039	(2,399)	-	340,640	343,039			343,039
Sub-Total		57,090	3,130,770,240	117,470,009	3,093,873	-	120,563,882	117,346,791	2,275,000	-	119,621,791

* GRV = Gross Rental Value

UV = Unimproved Value

City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 24. Rating Information (2016/17 Financial Year) (continued)

		Number of	Rateable	Rate	Interim	Back	Total	Budget	Budget	Budget	Budget
		Properties	Value	Revenue	Rates	Rates	Revenue	Rate	Interim	Back	Total
\$	Notes							Revenue	Rate	Rate	Revenue
Minimum Rates											
	Minimum										
GRV - Residential Improved	1,305	15,141	228,818,144	19,759,005			19,759,005	19,760,311	-	-	19,760,311
GRV - Residential Vacant	745	2,637	13,000,301	1,964,565			1,964,565	1,957,860	-	-	1,957,860
GRV - Commercial/Industrial Improved	1,280	499	7,628,827	638,720			638,720	629,760	-	-	629,760
GRV - Commercial/Industrial Vacant	1,280	32	487,155	40,960			40,960	39,680	-	-	39,680
GRV - Commercial/Industrial Improved - Lesser Minimum Strata	640	77	247,999	49,280			49,280	49,280	-	-	49,280
UV - Residential Improved	1,305	6	1,953,113	7,830			7,830	7,830	-	-	7,830
UV - Residential Vacant	745	3	30,700	2,235			2,235	2,235	-	-	2,235
UV - Commercial/Industrial Improved	1,280	7	1,630,000	8,960			8,960	7,680	-	-	7,680
UV - Rural and Mining Improved	1,292	2	614,533	2,584			2,584	2,584	-	-	2,584
UV - Rural and Mining Vacant	868	33	345,256	28,644			28,644	28,644	-	-	28,644
Sub-Total		18,437	254,756,028	22,502,783	-	-	22,502,783	22,485,864	-	-	22,485,864
Ex Gratia Rates							23,730				20,000
Totals							143,090,395				142,127,655

* GRV = Gross Rental Value

UV = Unimproved Value

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 25. Discounts, Incentives, Concessions & Write-offs (2016/17 Financial Year)

	Type	Total	Budget
\$		Cost / Value	Cost / Value
Details			
Debts Written Off	Write Off	55	-
Community Groups Rates Waiver	Waiver	78,051	80,000
		<u>78,106</u>	<u>80,000</u>

No rates discounts have been budgeted for the 2016/2017 Financial year.

Council Rates (excluding Emergency Services Levy) for land leased by the City to the following community groups):

- AJS Motorcycle Club of WA Inc.
- Kingsway Football & Sporting Club Inc.
- Olympic Kingsway Sports Club
- Pinjar Motorcycle Park Inc.
- Quinns Mindarie Surf Lifesaving Club Inc.
- Quinns Rocks Sports Club
- Tiger Kart Club Inc.
- Vikings Softball Club Inc & The Wanneroo Giants Baseball Club Inc.
- Wanneroo Agricultural Society
- Wanneroo Amateur Football Club Inc, Wanneroo Cricket Club, Wanneroo Junior Cricket Club Inc & Wanneroo Jt Football Club
- Wanneroo BMX Club
- Wanneroo City Soccer Club Inc.
- Wanneroo Districts Cricket Club Inc. & Wanneroo Districts Hockey Association Inc.
- Wanneroo Districts Netball Association
- Wanneroo Districts Rugby Union Football Club Inc.
- Wanneroo Horse & Pony Club
- Wanneroo Racing Pigeon Club
- Wanneroo Shooting Complex Inc.
- Wanneroo Sports & Social Club
- Wanneroo Tennis Club
- Wanneroo Trotting & Training Club Inc.
- Yanchep Golf Club
- Yanchep Sports Club Inc.
- Yanchep Surf Lifesaving Club Inc.
- Youth Futures WA (inc).

The circumstances in which the waiver is granted to sporting clubs is when Council believes financial support is warranted. The objective is improving these clubs financial viability in order to assist with the fostering of good health in the community.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 26. Interest Charges and Instalments (2016/17 Financial Year)

\$	Interest Rate %	Admin. Charge	Revenue	Budgeted Revenue
Interest on Unpaid Rates	8.45%	-	1,376,674	929,500
Interest on Instalments Plan	5.50%	-	676,459	620,000
			2,053,133	1,549,500
Charges on Instalment Plan			375,156	379,100
			2,428,289	1,928,600

An interest rate of 8.45% (2016: 8.45%) was charged on all rates, both current and arrears, that remain unpaid after 35 days from the issue date of the rate notice (1 August 2016). Three option plans were available to ratepayers for payment of their rates by instalments.

Option 1 (Full Payment)

Full amount of rates and charges, including arrears, to be paid on or before 35 days from the issue date appearing on the rate notice (5 September 2016).

Option 2 (Two instalments)

First instalment to be received on or before 35 days after the issue date appearing on the rate notice, including all arrears and half of the current rates and service charges (5 September 2016). The second and final instalment becomes due and payable 63 days after the due date of the first instalment (7 November 2016).

Option 3 (Four instalments)

First instalment to be received on or before 35 days after the issue date appearing on the rate notice, including all arrears and a quarter of the current rates and service charges (5 September 2016). The second, third and fourth instalments are to be made at 63 day intervals, thereafter (7 November 2016, 9 January 2017 and 13 March 2017).

Cost of the instalment Options

The cost of the instalment options will comprise simple interest of 5.5% (2016: 5.5%) per annum, calculated from the date of the first instalment is due and payable, together with an administration fee of \$5.00 (2016: \$5.00) for each instalment, excluding the first.

Special Arrangements and Late Payment Penalty

In addition to the late payment interest of 8.45%, an administration fee of \$25.00 (2016: \$25.00) per assessment is charged to any ratepayers wishing to enter into special payment agreements with the City.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fees & Charges

	2017	2017	2016
\$	Actual	Budget	Actual
Governance	21,391	29,408	28,112
General Purpose Funding	485,178	548,900	493,275
Law, Order, Public Safety	758,032	929,000	809,800
Health	432,935	319,860	309,593
Education and Welfare	339,668	375,282	362,581
Community Amenities	3,383,458	6,095,907	4,623,309
Recreation and Culture	7,113,483	7,547,598	7,315,292
Transport	1,042,439	1,010,000	960,638
Economic Services	2,411,383	2,902,000	2,878,392
Other Property and Services	5,951	6,003	5,921
	15,993,918	19,763,958	17,786,913

Note 28. Grants, Subsidies & Contributions

	2017	2016
\$	Actual	Actual

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

(a) By Nature & Type

Operating Grants, Subsidies and Contributions	16,575,517	10,324,953
Non-Operating Grants, Subsidies and Contributions	83,706,469	88,709,347
	100,281,986	99,034,300

(b) By Program

Governance	383,579	1,192,381
General Purpose Funding	10,204,805	3,336,040
Law, Order, Public Safety	439,143	487,563
Health	178,790	59,884
Education & Welfare	3,574,109	3,817,472
Community Amenities	87,370	179,389
Recreation & Culture	10,052,313	16,268,012
Transport	75,213,274	72,472,510
Economic Services	4,030	7,916
Other Property & Services	144,573	1,213,133
	100,281,986	99,034,300

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 29. Employee Numbers

	2017	2016	2015
\$	Actual	Actual	Actual
The number of full-time equivalent employees at balance date	849	854	853

Note 30. Councillor Remuneration

	2017	2017	2016
\$	Actual	Budget	Actual
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	479,137	469,530	478,950
Mayor's Allowance	88,856	88,864	87,550
Deputy Mayor's Allowance	22,214	22,216	21,887
Travelling & Other Expenses	13,129	132,105	18,296
Telecommunications Allowance	52,500	52,500	52,500
	655,836	765,215	659,183

Note 31. Employee Costs

	2017	2016
\$	Actual	Actual
Wages and Salaries	63,331,629	60,386,890
Superannuation	6,806,213	6,572,538
Fringe Benefits Tax	344,820	460,920
Conference and Training	579,474	585,069
Workers' Compensation Insurance	1,991,746	2,430,446
External Labour Hire	3,276,527	2,756,042
Protective Clothing & Uniforms	236,676	334,754
Staff Amenities (Milk/Tea/Coffee)	48,449	49,159
Vehicle Usage Reimbursements	18,075	23,560
Total Employee Costs	76,633,609	73,599,378
less: Capitalised Costs	(3,941,247)	(3,770,405)
	72,692,362	69,828,973

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 32. Related Party Transactions

	2017
\$	Actual

Key Management Personnel (KMP) Compensation Disclosures

The total of remuneration paid to KMP of the City during the year are as follows:

Short-term employee benefits	1,504,743
Post-employment benefits	162,771
Other long-term benefits	34,716
	<u>1,702,230</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP. Details in respect to fees and benefits paid to elected members may be found at Note 30.

Post-employee benefits

These amounts are the current-year's estimated cost of providing the City's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Related Party

The City's main related parties are as follows:

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

(b) Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(c) Joint Venture Agreement accounted for under the equity method

The City has one sixth interest in two regional councils. These interest are accounted for in these financial statements using the equity method of accounting. Refer to Note 17 for details of these interests.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 32. Related Party Transactions (continued)

	2017
\$	Actual

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Associated companies/individuals:

Sale of goods and services	53,736
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Post-employment benefits	-
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Joint venture entities:

Distributions received from joint venture entities	-
--	---

Amounts outstanding from related parties:

Trade and other receivables	4,567
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Loans to associated entities	-
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Loans to key management personnel	-
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Amounts payable to related parties:

Trade and other payables	-
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Loans from associated entities	-
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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions

(a) Town Planning Schemes

The City's major land transactions incorporated in the 2016/2017 Financial Report relate to its role in Town Planning and Regional Development. In addition to its involvement with the Cities of Perth, Stirling and Joondalup and the Towns of Cambridge, Vincent and Victoria Park with Lot 17 Mindarie, the City has Town Planning Schemes and Development Areas in Operation:

Development Area	Locality
- Town Planning Scheme No 5 - Landsdale	- Landsdale
- East Wanneroo Development Area Cells 1-9	- East Wanneroo
- Berkley Road Local Structure Plan	- Marangaroo/Alexander Heights
- Neerabup Development	- Neerabup

The Development Contribution Plans for Yanchep/Two Rocks Community Facilities and Alkimos/Eglington Community Facilities are not disclosed in this note but they are disclosed in Note 36.

(i) Town Planning Scheme No 5 - Landsdale

An industrial zone guided development which was gazetted in June 1973. The total area of the scheme is approximately 100 hectares (ha). The western sectors comprising 47 ha is identified as Stage 1 and it was fully subdivided and developed in accordance with the scheme map several years ago.

The eastern sector of 53 ha known as Stage 2 is either low lying land comprising 2 ha parcels along Gngangara Road or an operating sand pit on two larger lots. Subdivision and development of this sector is entirely at the discretion of the individual land owners. It appears unlikely that there will be any subdivision or development undertaken in this sector in the short term.

	2017 Actual	2017 Budget	2016 Actual
\$			
Operating Income			
Interest on Investments	19,378	21,286	20,224
	19,378	21,286	20,224
Net Result	19,378	21,286	20,224

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017 Actual	2017 Budget	2016 Actual
\$			
(i) Town Planning Scheme No 5 - Landsdale (continued)			
Financial Position			
ASSETS			
Current Assets			
Cash and Cash Equivalent Assets	697,132	695,834	677,754
Total Current Assets	697,132	695,834	677,754
TOTAL ASSETS	697,132	695,834	677,754
Net Assets	697,132	695,834	677,754
EQUITY			
Accumulated Surplus	697,132	695,834	677,754
Total Equity	697,132	695,834	677,754

East Wanneroo Development Area - Cells 1 - 9

The East Wanneroo Cells 1-9 provide for the development of the area generally east of Wanneroo Road between Hepburn Avenue and Flynn Drive. It will provide for residential, industrial and commercial subdivision/development to complement existing pockets of those land uses within the scheme area.

The area consists of 10 cells, which provide for regional infrastructure including public open space and regional roads. The format, structure and funding aspects are subject to ongoing review. The costing mechanisms are yet to be finalised for Cell 9.

(ii) East Wanneroo Development Area - Cell 1

	2017 Actual	2017 Budget	2016 Actual
\$			
Operating Income			
Headworks Levy	259,549	1,110,929	-
Interest on Investments	802,916	878,012	833,851
	1,062,465	1,988,941	833,851
Operating Expense			
Advertising	-	(100)	(325)
Compensation Payments - Public Open Space	-	(1,317,000)	-
Consulting Fees	(44,170)	(2,000)	-
Legal Fees	(1,202)	-	(936)
Administration Allocation	(193,000)	(25,000)	(22,965)
Audit Fees	(2,560)	-	-
	(240,932)	(1,344,100)	(24,226)
Net Result	821,533	644,841	809,625

Financial Statements 2017

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017	2017	2016
\$	Actual	Budget	Actual

(ii) East Wanneroo Development Area - Cell 1 (continued)

Financial Position

ASSETS

Current Assets

Cash and Cash Equivalent Assets

28,716,586 28,008,325 27,895,053

Total Current Assets

28,716,586 28,008,325 27,895,053

TOTAL ASSETS

28,716,586 28,008,325 27,895,053

LIABILITIES

Nil

Net Assets

28,716,586 28,008,325 27,895,053

EQUITY

Accumulated Surplus

28,716,586 28,008,325 27,895,053

Total Equity

28,716,586 28,008,325 27,895,053

(iii) East Wanneroo Development Area - Cell 2

	2017	2017	2016
\$	Actual	Budget	Actual

Operating Income

1,778,423 1,705,337 609,049

Headworks Levy

207,328 196,979 190,394

Interest on Investments

1,985,751 1,902,316 799,443

Operating Expense

Advertising

- (100) (325)

Construction Costs

- - (38,825)

Compensation Payments - Public Open Space

- - (63,368)

Consulting Fees

(1,500) (2,000) -

Legal Fees

(1,202) - (936)

Valuation Fees

(206) - -

Administration Allocation

(72,743) (20,000) (5,300)

(75,651) (22,100) (108,754)

Net Result

1,910,100 1,880,216 690,689

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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017	2017	2016
\$	Actual	Budget	Actual

(iii) East Wanneroo Development Area - Cell 2 (continued)

Financial Position

ASSETS

Current Assets

Cash and Cash Equivalent Assets

8,550,648 8,439,035 6,640,548

Total Current Assets

8,550,648 8,439,035 6,640,548

TOTAL ASSETS

8,550,648 8,439,035 6,640,548

LIABILITIES

Nil

Net Assets

8,550,648 8,439,035 6,640,548

EQUITY

Accumulated Surplus

8,550,648 8,439,035 6,640,548

Total Equity

8,550,648 8,439,035 6,640,548

(iv) East Wanneroo Development Area - Cell 3

	2017	2017	2016
\$	Actual	Budget	Actual

Operating Income

Interest on Investments

41,930 46,185 43,844

41,930 46,185 43,844

Operating Expense

Advertising

- (100) (325)

Consulting Fees

(1,500) (2,000) -

Legal Fees

(1,202) - (936)

Administration Allocation

(48,672) (20,000) (1,767)

(51,374) (22,100) (3,028)

Net Result

(9,444) 24,085 40,816

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City of Wanneroo

Notes to the Financial Statements
for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017	2017	2016
\$	Actual	Budget	Actual

(iv) East Wanneroo Development Area - Cell 3 (continued)

Financial Position

ASSETS

Current Assets

Cash and Cash Equivalent Assets	1,456,433	1,471,823	1,465,877
Total Current Assets	1,456,433	1,471,823	1,465,877

TOTAL ASSETS	1,456,433	1,471,823	1,465,877
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LIABILITIES

Nil

Net Assets	1,456,433	1,471,823	1,465,877
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EQUITY

Accumulated Surplus	1,456,433	1,471,823	1,465,877
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Total Equity	1,456,433	1,471,823	1,465,877
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(v) East Wanneroo Development Area - Cell 4

	2017	2017	2016
\$	Actual	Budget	Actual

Operating Income			
Development Headworks Levy	1,492,963	6,998,265	2,751,092
Interest on Investments	423,326	493,802	448,607
	1,916,289	7,492,067	3,199,699

Operating Expense			
Advertising	-	(100)	(325)
Audit Fees	(23,328)	-	-
Compensation Payments - Public Open Space	-	(8,564,600)	-
Construction Costs	(131,324)	(650,000)	(4,522,101)
Consulting Fees	(1,500)	(2,000)	-
Legal Fees	(138,136)	-	(163,954)
Administration Allocation	(106,476)	(25,000)	(12,366)
	(400,764)	(9,241,700)	(4,698,746)

Net Result	1,515,525	(1,749,633)	(1,499,047)
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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017	2017	2016
\$	Actual	Budget	Actual

(v) East Wanneroo Development Area - Cell 4 (continued)

Financial Position

ASSETS

Current Assets

Cash and Cash Equivalent Assets

Total Current Assets

TOTAL ASSETS

14,639,018	4,983,324	13,123,491
14,639,018	4,983,324	13,123,491
14,639,018	4,983,324	13,123,491

LIABILITIES

Nil

Net Assets

14,639,018	4,983,324	13,123,491
------------	-----------	------------

EQUITY

Accumulated Surplus

14,639,018	4,983,324	13,123,491
------------	-----------	------------

Total Equity

14,639,018	4,983,324	13,123,491
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(vi) East Wanneroo Development Area - Cell 5

	2017	2017	2016
\$	Actual	Budget	Actual

Operating Income

Development Headworks Levy

Interest on Investments

1,714,564	1,576,364	34,429
253,309	343,734	325,760
1,967,873	1,920,098	360,189

Operating Expense

Advertising

Compensation Payments - Public Open Space

Legal Fees

Consulting Fees

Administration Allocation

-	(100)	(325)
(433,673)	(1,800,000)	(3,585,986)
(14,857)	-	(205,239)
-	(2,000)	(119,720)
(63,391)	(20,000)	(12,366)
(511,921)	(1,822,100)	(3,923,636)

Net Result

1,455,952	97,998	(3,563,447)
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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017 Actual	2017 Budget	2016 Actual
\$			
(vi) East Wanneroo Development Area - Cell 5 (continued)			
Financial Position			
ASSETS			
Current Assets			
Cash and Cash Equivalent Assets	9,153,704	7,056,986	7,703,578
Total Current Assets	9,153,704	7,056,986	7,703,578
TOTAL ASSETS	9,153,704	7,056,986	7,703,578
LIABILITIES			
Current Liabilities			
Trade and Other Payables		-	(5,827)
Total Current Liabilities	-	-	(5,827)
TOTAL LIABILITIES	-	-	(5,827)
Net Assets	9,153,704	7,056,986	7,697,751
EQUITY			
Accumulated Surplus	9,153,704	7,056,986	7,697,751
Total Equity	9,153,704	7,056,986	7,697,751

(vii) East Wanneroo Development Area - Cell 6

	2017 Actual	2017 Budget	2016 Actual
\$			
Operating Income			
Development Headworks Levy	1,399,820	1,480,720	1,709,691
Interest on Investments	783,945	852,247	811,355
	2,183,765	2,332,967	2,521,046
Operating Expense			
Advertising	-	(100)	(326)
Legal Fees	(1,202)	-	(936)
Contract Expenses	-	-	(8,890)
Construction Costs	(4,279)	(15,000)	(10,000)
Consulting Fees	(3,361)	(6,000)	-
Compensation Payments - Road Reserves	(536,250)	-	(248,706)
Compensation Payments - Sump Land	-	(2,000,000)	-
Administration Allocation	(69,635)	(22,000)	(14,132)
Compensation Payments - Public Open Space	(1,739,159)	-	(819,340)
	(2,353,886)	(2,043,100)	(1,102,330)
Net Result	(170,121)	289,867	1,418,716

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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017	2017	2016
\$	Actual	Budget	Actual

(vii) East Wanneroo Development Area - Cell 6 (continued)

Financial Position

ASSETS

Current Assets

Cash and Cash Equivalent Assets

27,105,660 27,286,048 27,275,780

Total Current Assets

27,105,660 27,286,048 27,275,780

TOTAL ASSETS

27,105,660 27,286,048 27,275,780

LIABILITIES

Nil

Net Assets

27,105,660 27,286,048 27,275,780

EQUITY

Accumulated Surplus

27,105,660 27,286,048 27,275,780

Total Equity

27,105,660 27,286,048 27,275,780

(viii) East Wanneroo Development Area - Cell 7

	2017	2017	2016
\$	Actual	Budget	Actual

Operating Income

Development Headworks Levy

- 526,000 223,221

Interest on Investments

122,813 152,300 146,071

122,813 678,300 369,292

Operating Expense

Advertising

- (100) (325)

Compensation Payments - Road Reserves

- (2,000,000) -

Legal Fees

(3,231) - (936)

Construction Costs

- (15,000) (10,000)

Contract Expenses

(1,745,905) - (9,047)

Consulting Fees

(7,835) (6,000) -

Administration Allocation

(109,916) (25,000) (14,132)

(1,866,887) (2,046,100) (34,440)

Net Result

(1,744,074) (1,367,800) 334,852

Financial Statements 2017

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017 Actual	2017 Budget	2016 Actual
\$			
(viii) East Wanneroo Development Area - Cell 7 (continued)			
Financial Position			
ASSETS			
Current Assets			
Cash and Cash Equivalent Assets	3,220,127	2,097,884	4,964,201
Total Current Assets	3,220,127	2,097,884	4,964,201
TOTAL ASSETS	3,220,127	2,097,884	4,964,201
LIABILITIES			
Nil			
Net Assets	3,220,127	2,097,884	4,964,201
EQUITY			
Accumulated Surplus	3,220,127	2,097,884	4,964,201
Total Equity	3,220,127	2,097,884	4,964,201

(ix) East Wanneroo Development Area - Cell 8

	2017 Actual	2017 Budget	2016 Actual
\$			
Operating Income			
Development Headworks Levy	653,990	488,800	170,248
Interest on Investments	101,792	102,195	97,141
	755,782	590,995	267,389
Operating Expense			
Construction Costs	(39,886)	(50,000)	-
Advertising	-	-	(325)
Compensation Payments - Road Reserves	(36,022)	(1,820,000)	-
Legal Fees	(14,857)	-	(202,337)
Consulting Fees	-	(2,000)	(125,515)
Administration Allocation	(96,125)	(25,000)	(22,965)
	(186,890)	(1,897,000)	(351,142)
Net Result	568,892	(1,306,005)	(83,753)

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Financial Statements 2017

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017 Actual	2017 Budget	2016 Actual
\$			
(ix) East Wanneroo Development Area - Cell 8 (continued)			
Financial Position			
ASSETS			
Current Assets			
Cash and Cash Equivalent Assets	3,619,671	2,957,470	3,056,608
Total Current Assets	3,619,671	2,957,470	3,056,608
TOTAL ASSETS	3,619,671	2,957,470	3,056,608
LIABILITIES			
Current Liabilities			
Trade and Other Payables	-	-	(5,828)
Total Current Liabilities	-	-	(5,828)
TOTAL LIABILITIES	-	-	(5,828)
Net Assets	3,619,671	2,957,470	3,050,780
EQUITY			
Accumulated Surplus	3,619,671	2,957,470	3,050,780
Total Equity	3,619,671	2,957,470	3,050,780

(x) East Wanneroo Development Area - Cell 9

	2017 Actual	2017 Budget	2016 Actual
\$			
Operating Income			
Development Headworks Levy	1,384,815	4,861,950	7,860,426
Interest on Investments	511,081	643,198	596,106
	1,895,896	5,505,148	8,456,532
Operating Expense			
Advertising	-	(100)	-
Legal Fees	(13,278)	-	-
Consulting Fees	(864,276)	(2,000)	-
Construction Costs	-	-	(964,655)
Compensation Payments - Public Open Space	(697,915)	(865,000)	(7,691,002)
Compensation Payments - Road Reserves	(532,418)	-	(370,739)
Administration Allocation	(96,202)	(25,000)	(26,498)
Reimbursement Expenses - Other	(346,314)	-	(1,051,641)
	(2,550,403)	(892,100)	(10,104,535)
Net Result	(654,507)	4,613,048	(1,648,003)

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City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017 Actual	2017 Budget	2016 Actual
\$			
(x) East Wanneroo Development Area - Cell 9 (continue)			
Financial Position			
ASSETS			
Current Assets			
Cash and Cash Equivalent Assets	18,351,969	20,544,539	17,709,900
Total Current Assets	18,351,969	20,544,539	17,709,900
TOTAL ASSETS	18,351,969	20,544,539	17,709,900
LIABILITIES			
Current Liabilities			
Trade and Other Payables	(1,296,576)	-	-
Total Current Liabilities	(1,296,576)	-	-
TOTAL LIABILITIES	(1,296,576)	-	-
Net Assets	17,055,393	20,544,539	17,709,900
EQUITY			
Accumulated Surplus	17,055,393	20,544,539	17,709,900
Total Equity	17,055,393	20,544,539	17,709,900

(xi) Berkley Road Local Structure Plan

The Berkley Road Local Structure Plan rationalises the drainage sumps, road system and open space requirements for the residential development of the area. All subdividing landowners in the area pay a development headworks levy to the City and those funds are used to compensate those owners who actually provide the drainage, regional road and open space sites.

	2017 Actual	2017 Budget	2016 Actual
\$			
Operating Income			
Interest on Investments	79,763	91,608	85,960
	79,763	91,608	85,960
Operating Expense			
Compensation Payments - Road Reserves	-	-	(207,092)
Administration Allocation	(166)	-	-
	(166)	-	(207,092)
Net Result	79,597	91,608	(121,132)

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017 Actual	2017 Budget	2016 Actual
\$			
(xi) Berkley Road Local Structure Plan (continued)			
Financial Position			
ASSETS			
Current Assets			
Cash and Cash Equivalent Assets	2,867,903	2,857,844	2,788,306
Total Current Assets	2,867,903	2,857,844	2,788,306
 TOTAL ASSETS	 2,867,903	 2,857,844	 2,788,306
LIABILITIES			
Nil			
Net Assets	2,867,903	2,857,844	2,788,306
EQUITY			
Accumulated Surplus	2,867,903	2,857,844	2,788,306
Total Equity	2,867,903	2,857,844	2,788,306

(xii) Neerabup Industrial Area Structure Plan

The Neerabup Industrial Area Structure Plan No 17 is designed to provide for the industrial development contained within an area bounded by Wanneroo Road, Flynn Drive, Old Yanchep Road and Wattle Avenue. This industrial area will be a major employment centre for the North West residential corridor.

The format, structure and environmental aspects are being finalised for the ongoing development of the area. All landowners in the area will pay an infrastructure development contribution to the City for the provision of the shared infrastructure to service the industrial area.

The Neerabup Industrial Area Structure Plan has no operating transaction either in financial year 2015/2016 or 2016/2017.

Financial Statements 2017

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 33. Major Land Transactions (continued)

	2017 Actual	2017 Budget	2016 Actual
\$			
(xii) Neerabup Industrial Area Structure Plan (continued)			
Financial Position			
LIABILITIES			
Trade and Other Payables	(3,448,943)	(3,410,582)	(3,448,943)
Total Current Liabilities	(3,448,943)	(3,410,582)	(3,448,943)
TOTAL LIABILITIES	(3,448,943)	(3,410,582)	(3,448,943)
Net Assets	(3,448,943)	(3,410,582)	(3,448,943)
EQUITY			
Accumulated Surplus	(3,448,943)	(3,410,582)	(3,448,943)
Total Equity/(Deficiency)	(3,448,943)	(3,410,582)	(3,448,943)
Total Equity of Planning/Land Development	113,633,332	102,988,530	109,840,498

(b) The development and subdivision of part Lot 118 Mindarie. (Tamala Park)

The City of Wanneroo, along with the City of Perth, City of Stirling, City of Joondalup and the Town of Cambridge, City of Vincent and Town of Victoria Park is a member of the Tamala Park Regional Council.

The activities on Tamala Park Regional Council centers around the development of part Lot 118 Mindarie. This lot has been developed during the current and previous financial years with the purposes of creating new urban land lots and a new urban community.

The City of Wanneroo will contribute one sixth of any funding required for capital or operating costs and will also be entitled to one sixth of the net revenue from the sale of lots of land.

	2017 Actual	2016 Actual
\$		
Income from Sales	3,322,186	6,423,391
Development Expenses	(2,825,965)	(3,767,111)
Surplus/(Deficit)	496,221	2,656,280

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 34. Financial Risk Management

\$

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance Department under policies approved by the Council.

The City held the following financial instruments at balance date:

		Carrying Value		Fair Value	
	Notes	2017	2016	2017	2016
Financial Assets					
Cash and Cash Equivalents	3	359,431,307	319,626,869	359,431,307	319,626,869
Receivables (Current & Non-Current)	5	21,868,298	22,407,588	21,868,298	22,407,588
		<u>381,299,605</u>	<u>342,034,457</u>	<u>381,299,605</u>	<u>342,034,457</u>
Financial Liabilities					
Payables (Current & Non-Current)	9	28,012,349	24,937,538	28,012,349	24,937,538
Borrowings (Current & Non-Current)	10	66,378,188	60,778,188	66,378,188	60,778,188
		<u>94,390,537</u>	<u>85,715,726</u>	<u>94,390,537</u>	<u>85,715,726</u>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates market value.

- **Borrowings & Held to Maturity Investments** - are estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

- Financial Assets classified (i) "**at fair value through profit & loss**" or (ii) **Available for Sale** - based on quoted market prices at the reporting date or independent valuation.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 34. Financial Risk Management (continued)

(a) Cash & Cash Equivalents, Financial Assets "at Fair Value through Profit & Loss", "Available-for-Sale Financial Assets" and "Held-to-Maturity" Investments

Council's objective is to maximise its return on cash and investments, whilst maintaining an adequate level of liquidity and preserving capital.

Council has an Investment Policy which complies with the relevant legislation. The policy is regularly reviewed by Council and an Investment Report is tabled before Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with cash and investments is credit risk - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees in accordance with investment restrictions prescribed in the Local Government (Financial Management) Regulations 1996.

	30-Jun-17	30-Jun-16
Impact of a 1% ⁽¹⁾ movement in interest rates on cash and investments		
Equity	3,812,996	3,420,345
Statement of Comprehensive Income	3,812,996	3,420,345

Notes:

(1) Sensitivity percentages based on management's expectations of future possible market movements. (Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents and managed funds.)

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 34. Financial Risk Management (continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges, which further encourages the payment of debt.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables, as required, and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's current receivables credit risk at balance date follows:

	30-Jun-17 %	30-Jun-16 %
Percentage of Rates and Annual Charges		
Current	0.00%	0.00%
Overdue	100.00%	100.00%
Percentage of Other Receivables		
Current	91.27%	97.94%
Overdue	8.73%	2.06%

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 34. Financial Risk Management (continued)

(c) Payables & Borrowings

Payables and Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash outflows (i.e. principal and interest) of Council's payables and borrowings are set out in the Liquidity Table below:

\$	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2017					
Payables	28,012,349	-	-	28,012,349	28,012,349
Borrowings	4,166,005	17,538,510	92,613,208	114,317,723	66,378,188
	32,178,354	17,538,510	92,613,208	142,330,072	94,390,537
2016					
Payables	24,937,538	-	-	24,937,538	24,937,538
Borrowings	4,114,683	16,458,733	87,523,630	108,097,046	60,778,188
	29,052,221	16,458,733	87,523,630	133,034,584	85,715,726

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a basis that is most suitable for the circumstance. Council Officers regularly review interest rate movements to determine if it would be advantageous to refinance or renegotiate part, or all, of the loan portfolio.

The following interest rates were applicable to the Council's Borrowings at balance date:

	30-Jun-17		30-Jun-16	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank Loans - Fixed	6.77%	60,778,188	6.77%	60,778,188
Bank Loans - Variable	3.29%	5,600,000	-	-
		66,378,188		60,778,188

Notes:

1. The interest rate risk applicable to variable rate bank loan is not considered significant.
2. Inclusive of 0.7% (Government Guarantee Fee) in the fixed interest rate of 6.77%.

City of Wanneroo

Notes to the Financial Statements for the year ended 30 June 2017

Note 35. Fair Value Measurements

\$

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, Property, Plant and Equipment
- Financial Assets & Liabilities

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

		Fair Value Measurement using:			
2017		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
	of latest	prices in	observable	unobservable	
	Valuation	active mkts	inputs	inputs	
Property, Plant & Equipment					
- Land	30/06/15	-	331,318,082	-	331,318,082
- Buildings	30/06/15	-	-	163,570,386	163,570,386
- Furniture and Equipment	30/06/15	-	-	5,109,671	5,109,671
- Plant and Equipment	30/06/16	-	19,187,014	-	19,187,014
Total Property, Plant & Equipment		-	350,505,096	168,680,057	519,185,153
Infrastructure					
- Reserves	30/06/17	-	-	194,698,376	194,698,376
- Roads	30/06/17	-	-	1,121,814,763	1,121,814,763
- Pathways	30/06/17	-	-	135,514,683	135,514,683
- Car Parking	30/06/17	-	-	42,021,070	42,021,070
- Drainage	30/06/17	-	-	372,823,358	372,823,358
- Other Infrastructure	30/06/17	-	-	59,965,094	59,965,094
Total Infrastructure		-	-	1,926,837,344	1,926,837,344

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 35. Fair Value Measurements (continued)

\$

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values (continued):

Fair Values (continued).

2016	Fair Value Measurement using:				Total
	Level 1	Level 2	Level 3		
Date	Quoted	Significant	Significant		
of latest	prices in	observable	unobservable		
Valuation	active mkts	inputs	inputs		
Property, Plant & Equipment					
- Land	30/06/15	-	331,318,059	-	331,318,059
- Buildings	30/06/15	-	-	163,570,386	163,570,386
- Furniture and Equipment	30/06/15	-	-	5,114,876	5,114,876
- Plant and Equipment	30/06/16	-	20,371,705	-	20,371,705
Total Property, Plant & Equipment	-	351,689,764	168,685,262		520,375,026
Infrastructure					
- Reserves	30/06/14	-	-	155,383,907	155,383,907
- Roads	30/06/14	-	-	941,546,284	941,546,284
- Pathways	30/06/14	-	-	95,218,417	95,218,417
- Car Parking	30/06/14	-	-	10,020,026	10,020,026
- Drainage	30/06/14	-	-	181,191,341	181,191,341
- Other Infrastructure	30/06/14	-	-	49,390,650	49,390,650
Total Infrastructure	-	-	1,432,750,625		1,432,750,625

(2) Transfers between Level 1 and Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 1 and Level 2 fair value hierarchies for recurring fair value measurements.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 35. Fair Value Measurements (continued)

(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The fair valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Property, Plant & Equipment

Land

The City's land was valued by independent valuers. Except in the circumstance of any assets being held for sale (valued in accordance with *AASB 5 Assets Held for Sale*) or in accordance with specific accounting standards (such as Investment Properties) the balance of the portfolio is valued in accordance with *AASB 116 Property Plant and Equipment* at fair value.

Depending upon the unique circumstances of each lot, land has been valued using a range of approaches. Where there is an active market the 'market approach' has been adopted. If its value is primarily dependent on its income generating capability the income approach was used. For other types of land the 'cost approach' was adopted. Details of each approach are detailed below.

Level 2 Valuation Inputs

Market (Direct Comparison) – This has been applied to land held in freehold title and has been assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

Cost (Direct Comparison) - The valuation of some restricted or otherwise non-saleable land has been valued using the cost approach. This approach was used where, assuming if City of Wanneroo Council need to purchase the land or acquire additional land from an adjoining neighbour, the value of that land could be determined based on known zoning and town planning restrictions. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 35. Fair Value Measurements (continued)

(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (continued)

Level 3 Valuation Inputs

Cost (Hypothetical Analysis) – These were determining the cost approach. However the determination of the replacement cost involved detailed analysis of a hypothetical highest alternative land use. Typically this included estimating the number of potential residential or commercial lots that could be developed on the site. These are observable based on existing Town Planning rules and have been classified as Level 2. The third input is the developer's interest which effectively is the rate of return the developer requires based on the existing market conditions. This requires the valuers to exercise professional judgement and accordingly has been classified as level 3.

Cost (Complex Analysis) – These relate to land which is unique and requires consideration of a range of alternative uses that could be used to maximise the value. Typically these include sites which would enable subdivision into lots with different zonings and uses. They require the extensive exercise of professional judgement and require determination of a range of assumptions.

Buildings

The City's buildings were valued by independent valuers. The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and fire fighting equipment, and general lighting etc).

Excluded from this report are all items of plant, machinery, equipment, cranes, tools, furniture or chattels.

Level 3 Valuation Inputs

Cost (Depreciated) – These buildings were valued using the cost approach using professionally qualified Registered Valuers.

Under this approach, the cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. The Valuer disaggregated the building into different components and for each component determined a value based on the inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and the pattern of consumption of the future economic benefit.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 35. Fair Value Measurements (continued)

(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (continued)

Plant and Equipment

The City's plant and equipment was valued by Management as at 30 June 2016. Subsequent to the 2016 revaluation the assets are reviewed to ensure that the carry amount does not vary significantly from that determination using fair value at the reporting date.

Valuations were undertaken utilising in-house professional staff, referencing market conditions, and the availability of sales evidence.

Level 2 valuation inputs have been applied having regard to the condition and the useful life of the asset class.

Furniture and Equipment

It was deemed by Management that no material variance exists between the fair value of furniture and equipment using Level 3 inputs and the carrying cost of this class. It is considered that the value disclosed is fairly stated.

Infrastructure

All the City's infrastructure has been valued at fair value utilising in-house qualified and experienced Asset Management staff.

All of the City's infrastructure assets were valued using a depreciated cost valuation technique. This method used assets current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect potential of the asset was established then adjusted to take into account the expired service potential of the asset.

The current replacement cost was measured by referencing the lowest cost at which the asset could be obtained in the normal course of business.

The total cost values have been calculated using unit cost rate based on current tender and general market rates.

Level 2 and Level 3 valuation inputs have been applied to all infrastructure asset classes. Level 2 inputs being construction cost and current condition and Level 3 inputs being residual values and remaining useful life assessments.

The above techniques and inputs were utilised for all of the following classes:

- Roads
- Drainage
- Pathways
- Car Parks
- Reserves
- Other Infrastructure

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 35. Fair Value Measurements (continued)

\$

(4). Fair Value Measurements using Significant Unobservable Inputs (Level 3)

The following tables present the changes in Level 3 fair value asset classes.

	Buildings	Reserves	Roads	Pathways	Total
Closing Balance - 30 June 2016	172,004,594	176,338,953	1,023,114,549	103,528,680	1,474,986,776
Purchases (GBV)	8,744,802	16,359,444	44,207,621	5,245,123	74,556,990
Disposals (WDV)	-	-	-	-	-
Depreciation & Impairment	(3,210,824)	(7,424,368)	(15,268,034)	(2,053,788)	(27,957,014)
Closing Balance - 30 June 2017	177,538,572	185,274,029	1,052,054,136	106,720,015	1,521,586,752

	Furniture & Equipment	Drainage	Car Parking	Other Infrastructure	Total
Closing Balance - 30 June 2016	5,616,617	199,973,017	10,595,454	49,197,249	265,382,337
Purchases (GBV)	2,224,685	5,148,038	480,298	2,727,681	10,580,702
Disposals (WDV)	(5,205)	-	-	-	(5,205)
Depreciation & Impairment	(1,276,317)	(2,676,769)	(420,295)	(3,950,419)	(8,323,800)
Closing Balance - 30 June 2017	6,559,780	202,444,286	10,655,457	47,974,511	267,634,034

* GBV = Gross Book Value
WDV = Witten Down Value

(5) Highest and best use

All of Council's non-financial assets are considered to be utilised for their highest and best use.

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 36. Development Contribution Plans

Development Contribution Plans

All Town Planning Schemes are disclosed in Note 33(a). They are: Town Planning Scheme No 5 - Landsdale, East Wanneroo Development Area Cells 1 to 9, Berkley Road Local Structure Plan and Neerabup Development.

(a) Yanchep/Two Rocks Community Facilities

The Yanchep/Two Rocks Development Contribution Plan (YTRDCP) was gazetted on 9 September 2014 to collect contributions from developing landowners in Yanchep and Two Rocks towards the cost of providing district level community facilities. The YTRDCP will ultimately provide for the delivery of three district level facilities over a period of 10 years, including the Yanchep Surf Life Saving Club, Yanchep District Open Space and the Capricorn Coastal node facilities.

\$	2017 Actual	2017 Budget	2016 Actual
Operating Income			
Development Contributions	1,407,697	621,000	356,040
Interest on Investments	37,636	20,000	33,689
	<u>1,445,333</u>	<u>641,000</u>	<u>389,729</u>
Operating Expense			
Advertising Expenses	-	(500)	-
Interest Expenses	(70,208)	-	-
Construction Costs	(6,587,998)	(11,052,386)	-
Consulting Fees	(3,900)	(12,000)	(52,601)
Administration Allocation	(95,046)	(20,000)	(1,194,930)
	<u>(6,757,152)</u>	<u>(11,084,886)</u>	<u>(1,247,531)</u>
Total	<u>(5,311,819)</u>	<u>(10,443,886)</u>	<u>(857,802)</u>
Financial Position			
ASSETS			
Current Assets			
Cash and Cash Equivalent Assets	453,359	409,791	165,179
Total Current Assets	<u>453,359</u>	<u>409,791</u>	<u>165,179</u>
TOTAL ASSETS	<u>453,359</u>	<u>409,791</u>	<u>165,179</u>
LIABILITIES			
Loan	(5,600,000)	-	-
Net Assets	<u>(5,146,641)</u>	<u>409,791</u>	<u>165,179</u>
EQUITY			
Accumulated (Deficit)/Surplus	(5,146,641)	409,791	165,179
Total Equity	<u>(5,146,641)</u>	<u>409,791</u>	<u>165,179</u>

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 36. Development Contribution Plans (continued)

(b) Alkimos/Eglinton Community Facilities

The Alkimos/Eglinton Development Contribution Plan (AEDCP) was gazetted on 9 September 2014 to collect contributions from developing landowners in Alkimos and Eglinton towards the cost of providing district level community facilities. The AEDCP will ultimately provide for the delivery of 11 district level facilities over a period of 25 years, including libraries, community centres, indoor recreation facilities, sporting precincts and a surf life saving club.

\$	2017 Actual	2017 Budget	2016 Actual
Operating Income			
Development Contributions	883,159	1,111,000	1,647,514
Interest on Investments	303,624	300,000	274,187
	<u>1,186,783</u>	<u>1,411,000</u>	<u>1,921,701</u>
Operating Expense			
Advertising Expenses	-	(500)	-
Construction Costs	(5,550)	-	
Consulting Fees	-	(12,000)	(72,251)
Administration Allocation	(65,443)	(20,000)	(17,666)
	<u>(70,993)</u>	<u>(32,500)</u>	<u>(89,917)</u>
Total	<u>1,115,790</u>	<u>1,378,500</u>	<u>1,831,784</u>
Financial Position			
ASSETS			
Current Assets			
Cash and Cash Equivalent Assets	11,341,201	11,738,856	10,225,361
Total Current Assets	<u>11,341,201</u>	<u>11,738,856</u>	<u>10,225,361</u>
TOTAL ASSETS	<u>11,341,201</u>	<u>11,738,856</u>	<u>10,225,361</u>
Net Assets	<u>11,341,201</u>	<u>11,738,856</u>	<u>10,225,361</u>
EQUITY			
Accumulated Surplus	11,341,201	11,738,856	10,225,361
Total Equity	<u>11,341,201</u>	<u>11,738,856</u>	<u>10,225,361</u>

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 37. Reclassification of Assets

\$

To facilitate the management of the City's labour costs labour service provided by external parties and Project Management Charges Recovered have been reclassified from Material and Contracts to Employee Costs. Developer Contribution Schemes for Alkimos/Eglington and Yanchep/Two Rocks operating expenses and revenue have been reclassified as Town Planning Scheme expenses and revenue to assist in the interpretation of the Financial Report by users. These items were previous classified with several Nature and Type Classifications. Furthermore, Work in Progress has been reviewed and reclassified between Infrastructure and Property Plant and Equipment.

	Amount
Employee Costs and Town Planning Schemes	
Previous Classification	
Interest Earnings	8,437,231
Non-Operating Grants, Subsidies & Contributions	90,719,111
Town Planning Scheme Income (inc Interest)	16,957,469
Employee Costs	(69,864,610)
Materials and Contracts	(42,197,086)
Town Planning Scheme Expenses	(15,012,347)
	<u><u>(10,960,232)</u></u>
Reviewed Classification	
Interest Earnings	8,129,355
Non-Operating Grants, Subsidies & Contributions	88,709,347
Town Planning Scheme Income (inc Interest)	19,275,110
Employee Costs	(69,828,973)
Materials and Contracts	(42,234,148)
Town Planning Scheme Expenses	(15,010,923)
	<u><u>(10,960,232)</u></u>
Work in Progress	
Previous Classification	
Infrastructure Works in Progress	4,083,493
Property Plant and Equipment Works in Progress	2,119,157
	<u><u>6,202,650</u></u>
Reviewed Classification	
Infrastructure Works in Progress	2,243,450
Property Plant and Equipment Works in Progress	3,959,200
	<u><u>6,202,650</u></u>

City of Wanneroo

Notes to the Financial Statements

for the year ended 30 June 2017

Note 38. Events occurring after the Reporting Period

Events that occur between the end of the reporting period (ending 30 June 2017) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

The date of receipt of the Auditors' Report is the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Events that occur after the Reporting Period represent one of two types:

(i) Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2017.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (and figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2017 and which are only indicative of conditions that arose after 30 June 2017.

There has not been any material or significant "non-adjusting events" that should be disclosed.



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Independent Auditor's Report to the Rate Payers of City of Wanneroo

Auditor's Opinion

We have audited the financial report of City of Wanneroo, which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income by nature or type and statement of comprehensive income by program, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the Chief Executive Officer's statement.

In our opinion, the accompanying financial report of City of Wanneroo:

- a presents fairly, in all material respects, the City of Wanneroo's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards (including the Australian Accounting Interpretations),
- c are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under the Act.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the City of Wanneroo in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**Statutory compliance**

I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they apply to financial statements.

Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the City of Wanneroo is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Council is responsible for overseeing the City of Wanneroo's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink that reads "P. Warr".

P W Warr
Partner - Audit & Assurance

Perth, 28 November 2017

CS02-12/17 Financial Activity Statement for the Period Ended 31 October 2017

File Ref: 25974 – 17/383692
Responsible Officer: Director Corporate Strategy and Performance
Disclosure of Interest: Nil
Attachments: 5

Moved Cr Zappa, Seconded Cr Coetzee

That Council RECEIVES the Financial Activity Statements and commentaries on variances to YTD Budget for the period ended 31 October 2017, consisting of:

- 1. October 2017 YTD Actuals;**
- 2. October 2017 YTD Statement of Financial Position and Net Current Assets; and**
- 3. October 2017 YTD Material Financial Variance Notes**

CARRIED UNANIMOUSLY

STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE

FOR THE PERIOD ENDED 31 OCTOBER 2017

Description	Year to Date				Annual			
	Actual	Revised Budget	Variance		Original Budget	Revised Budget	Variance	
	\$	\$	\$	%	\$	\$	\$	%
Revenues								
Rates	149,159,824	149,973,482	(813,658)	(1)	151,980,546	151,980,546	0	0
Operating Grants, Subsidies & Contributions	4,351,285	3,582,504	768,781	21	8,912,445	8,912,445	0	0
Fees & Charges	5,481,557	6,261,199	(779,642)	(12)	15,916,164	15,916,164	0	0
Interest Earnings	3,450,115	3,209,637	240,478	7	7,954,156	7,954,156	0	0
Other Revenue	254,998	253,410	1,588	1	693,708	693,708	0	0
Total Operating Revenue	162,697,779	163,280,232	(582,453)	(0)	185,457,019	185,457,019	0	0
Expenses								
Employee Costs	(22,921,691)	(23,763,188)	841,497	4	(70,171,359)	(70,976,803)	(805,444)	(1)
Materials & Contracts	(15,261,863)	(19,742,189)	4,480,326	23	(58,319,654)	(57,392,634)	927,020	2
Utility Charges	(2,878,568)	(3,153,451)	274,883	9	(9,478,651)	(9,478,651)	0	0
Depreciation	(13,015,655)	(14,993,988)	1,978,333	13	(45,000,000)	(45,000,000)	0	0
Interest Expenses	(1,368,064)	(1,371,012)	2,948	0	(4,114,682)	(4,114,682)	0	0
Insurance	(416,432)	(554,724)	138,292	25	(1,584,844)	(1,584,844)	0	0
Total Operating Expenditure	(55,862,274)	(63,578,552)	7,716,278	12	(188,669,190)	(188,547,614)	121,576	0
RESULT FROM OPERATIONS	106,835,505	99,701,680	7,133,825	7	(3,212,171)	(3,090,595)	121,576	(4)
Other Revenue & Expenses								
Non Operating Grants, Subsidies & Contributions	2,848,415	5,219,068	(2,370,653)	(45)	16,116,328	15,662,973	(453,355)	(3)
Contributed Physical Assets	0	25,000,000	(25,000,000)	(100)	50,000,000	50,000,000	0	0
Profit on Asset Disposals	740,547	166,667	573,881	344	1,000,000	1,000,000	0	0
Loss on Assets Disposals	(80,184)	(166,667)	86,483	52	(500,000)	(500,000)	0	0
Town Planning Scheme Revenues	12,657,491	4,156,851	8,500,640	204	9,888,811	11,888,127	1,999,316	20
Town Planning Scheme Expenses	(8,373,641)	(1,271,600)	(7,102,041)	(559)	(11,355,740)	(11,470,860)	(115,120)	(1)
Total Other Revenue and Expenses	7,792,629	33,104,319	(25,311,690)	(76)	65,149,399	66,580,240	1,430,841	2
NET RESULT	114,628,134	132,805,999	(18,177,865)	(14)	61,937,228	63,489,645	1,552,417	3
Other Comprehensive Income	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME	114,628,134	132,805,999	(18,177,865)	(14)	61,937,228	63,489,645	1,552,417	3

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 OCTOBER 2017

Description	30-Jun Actual (Estimated) \$	YTD Actual \$	Annual	
			Adopted Budget \$	Revised Budget \$
Current Assets				
Cash at Bank	3,783,240	431,679	5,639,773	5,639,773
Investments	355,648,064	415,676,771	264,663,748	264,663,748
Receivables	19,058,103	78,793,162	17,343,457	17,343,457
Inventory	355,123	343,385	369,608	369,608
	378,844,530	495,244,997	288,016,586	288,016,586
Current Liabilities				
Payables	(27,852,428)	(29,340,210)	(21,859,805)	(21,859,805)
Provisions	(16,620,018)	(16,345,262)	(13,417,355)	(13,417,355)
	(44,472,446)	(45,685,472)	(35,277,160)	(35,277,160)
NET CURRENT ASSETS	334,372,084	449,559,525	252,739,426	252,739,426
Non Current Assets				
Receivables	2,650,278	2,577,311	16,496,520	16,496,520
Investments	17,857,896	18,569,658		
Land	351,198,458	351,198,458	343,894,773	343,894,773
Buildings	174,771,138	173,636,968	160,880,704	160,880,704
Plant	17,652,840	16,277,059	18,844,336	18,844,336
Equipment	80,689,549	79,350,123	59,029,132	59,029,132
Furniture & Fittings	6,951,926	6,713,566	5,426,970	5,426,970
Infrastructure	1,848,997,560	1,840,411,245	1,433,479,823	1,433,479,823
Work in Progress	31,800,615	45,939,139	2,922,732	2,922,732
	2,532,570,260	2,534,673,527	2,040,974,990	2,040,974,990
Non Current Liabilities				
Interest Bearing Liabilities	(66,378,188)	(69,078,188)	(60,778,188)	(60,778,188)
Provisions	(1,619,272)	(1,581,845)	(1,580,614)	(1,580,614)
	(67,997,460)	(70,660,033)	(62,358,802)	(62,358,802)
NET ASSETS	2,798,944,884	2,913,573,019	2,231,355,614	2,231,355,614
Equity				
Accumulated Surplus	(1,323,163,962)	(1,440,422,353)	(1,106,938,996)	(1,106,938,996)
Municipal Reserves	(1,475,780,922)	(1,473,150,666)	(1,124,416,618)	(1,124,416,618)
Non Cash Reserves	0	0	0	0
TOTAL EQUITY	(2,798,944,884)	(2,913,573,019)	(2,231,355,614)	(2,231,355,614)

Top Capital Projects 2017/18 - October 2017												
PMO Project Registration			Financial Summary				Project Indicators				Project Progress	
PMO Code	Name of Project	Project Description	Finance Code	Project Budget Current Year	Actual Expenditure	Commitment Spend Current Year (A)	Schedule Indicator	Current Year Budget Indicator	Total Budget Indicator	Overall Risk Rating	Actual % Complete	Comment
PMO 1505	Yanchep Surf Life Saving Club	Development Yanchep Surf Lifesaving Club	PR-1048	2,729,418	1,790,482	478,669	A	A	G	G	80%	Construction Phase Tender awarded, endorsed by Council 7 March 2017. Change control in progress to increase funding. Due to inclement weather schedule extended to 20 November 2017.
PMO 1512	Yanchep District Playing Fields, Yanchep	Development of additional playing fields to meet current demand in the Yanchep / Two Rocks area	PR-2072	1,055,212	269,205	42,560	R	R	G	A	85%	Construction Phase Full Practical Completion achieved on 24 October. Forecast finish 30 August 2018 to allow for defects and close out. Potential project saving to be returned at Mid-Year Review.
PMO 1515	Yanchep District Sports Amenities Building	Design Development & Construction of the Yanchep District Sports Amenities Building	PR-2253	2,247,239	1,234,384	282,593	G	R	A	G	90%	Construction Phase Forecast practical completion November 2017. Potential project saving to be returned at Mid-Year Review.
PMO 1517	Civic Centre, Wannon Extension	Construction of a two storey, with basement, office building linked to the existing Civic Centre	PR-2332	10,000,000	3,281,121	5,028,392	G	G	G	A	75%	Construction Phase Practical completion achieved 08 September 2017. Stage 1 fit-out 50% complete. Staff moves anticipated for end January 2018.
PMO 1523	Quinns Rocks Beach Coastal Protection Works	Design of long-term coastal protection works at Quinns Beach	PR-2561	3,249,212	6,207	7,585	G	G	G	G	30%	Procurement Phase Detailed design study endorsed by Council 4 April 2017. Tender report approved by Council 10 October 2017. Construction contract awarded.
PMO16054	Upgrade Marmion Ave - Lukin Dr to Butler Blv	Construct dual carriageway, Marmion Ave, Butler - Lukin Drive to Butler Boulevard	PR-3073	850,000	324,919	89,358	G	R	R	G	95%	Defects Liability Period Construction completed 14 July 2017. Under budget due to competitive market. Project savings to be returned at Mid-Year Review.
PMO16061	Butler North District Open Space Masterplan	Butler North District Open Space - Construction of Sports Facilities	PR-2955	2,488,584	27,808	70,916	G	R	G	A	37%	Design Phase Project Board reviewing annual scope and budget requirements. Surplus annual budget to be returned at Mid-Year Review.

Top Capital Projects 2017/18 - October 2017												
PMO Project Registration			Financial Summary				Project Indicators				Project Progress	
PMO Code	Name of Project	Project Description	Finance Code	Project Budget Current Year	Actual Expenditure	Commitment Spend Current Year (A)	Schedule Indicator	Current Year Budget Indicator	Total Budget Indicator	Overall Risk Rating	Actual % Complete	Comment
PMO16063	Banksia Grove Sports Ground, Banksia Grove	Design and construction of new community facility / amenities and new floodlighting for the Banksia Grove DOS	PR-2819	2,819,006	136,159	2,474,412	G	G	G	G	62%	Construction Phase Structural steel works fabrication and installation in progress. Potential project saving to be returned at Mid-Year Review.
PMO16064	Kingsway Olympic Clubrooms, Madeley	Design and construction of new change rooms facilities adjacent to the Kingsway Olympic Sports Clubrooms	PR-2621	2,155,044	49,432	40,209	G	A	G	G	42%	Procurement Phase Construction tender closed 31 October 2017. Tender submissions compliance checks have commenced.
PMO17038	Mary Lindsay Homestead Building, Yanchep	Building redevelopment - design and construction of building and infrastructure including services	PR-2467	1,720,433	359,270	993,775	G	G	G	G	82%	Construction Phase Forecast completion 15 January 2018. Construction progressing as scheduled.
PMO17047	Upgrade Mirrabooka Ave, Darch/Landsdale	MRRP Road Improvement: Upgrade Mirrabooka Avenue, Darch/Landsdale - Hepburn Avenue to Ngarang Road	PR-4046	2,310,000	371,065	1,176,288	G	G	G	G	5%	Procurement Phase Design at completion. Construction works out to tender. Adjustment required at MYR to update funding sources for specific service works to Scheme funding.
PMO18063	Neerabup Industrial Area Development	Staged development of the City's Landholdings within the Neerabup Industrial Area	PR-4088	955,000	2,305	0	G	G	G	A	2%	Design Phase Design tender award anticipated to for end November 2017. Budget not likely to be spent if construction does not start in this financial year.
TOTAL				32,579,148	7,852,357	10,684,757						

Schedule Status-Indicator	Current Year Budget & Total Budget Indicator	Overall Risk Indicator
On Target-Baseline (<10%timeincrease)	On Target (Variance <10%)	Low
Behind Schedule (10 - 20%timeincrease)	Almost on Budget (Variance of 10 - 20%)	Medium
Behind Schedule (>20%timeincrease)	Under / Over Budget (Variance > 20%)	High

RATE SETTING STATEMENT
FOR THE PERIOD ENDED 31 OCTOBER 2017

Description	Year To Date				Annual			
	Actual	Revised Budget	Variance		Adopted Budget	Revised Budget	Variance	
	\$	\$	\$	%	\$	\$	\$	%
Opening Surplus/(Deficit)	0	0	0	0	0	0	0	0
OPERATING ACTIVITIES								
Revenues								
Operating Grants, Subsidies & Contributions	4,351,285	3,582,504	768,781	21	8,912,445	8,912,445	0	0
Fees & Charges	5,481,557	6,261,199	(779,642)	(12)	15,916,164	15,916,164	0	0
Interest Earnings	3,450,115	3,209,637	240,478	7	7,954,156	7,954,156	0	0
Other Revenue	254,998	253,410	1,588	1	693,708	693,708	0	0
	13,537,955	13,306,750	231,205	2	33,476,473	33,476,473	0	0
Expenses								
Employee Costs	(22,921,691)	(23,763,188)	841,497	4	(70,171,359)	(70,976,803)	(805,444)	(1)
Materials & Contracts	(15,261,863)	(19,742,189)	4,480,326	23	(58,319,654)	(57,392,634)	927,020	2
Utility Charges	(2,878,568)	(3,153,451)	274,883	9	(9,478,651)	(9,478,651)	0	0
Depreciation	(13,015,655)	(14,993,988)	1,978,333	13	(45,000,000)	(45,000,000)	0	0
Interest Expenses	(1,368,064)	(1,371,012)	2,948	0	(4,114,682)	(4,114,682)	0	0
Insurance	(416,432)	(554,724)	138,292	25	(1,584,844)	(1,584,844)	0	0
	(55,862,274)	(63,578,552)	7,716,278	12	(188,669,190)	(188,547,614)	121,576	0
Non-Cash Amounts Excluded								
Depreciation	13,015,655	14,993,988	(1,978,333)	(13)	45,000,000	45,000,000	0	0
	(29,308,664)	(35,277,814)	5,969,150	(17)	(110,192,717)	(110,071,141)	121,576	0
INVESTING ACTIVITIES								
Non Operating Grants, Subsidies & Contributions	2,848,415	5,219,068	(2,370,653)	(45)	16,116,328	15,662,973	(453,355)	(3)
Contributed Physical Assets	0	25,000,000	(25,000,000)	(100)	50,000,000	50,000,000	0	0
Profit on Asset Disposals	740,547	166,667	573,881	344	1,000,000	1,000,000	0	0
Loss on Assets Disposals	(80,184)	(166,667)	86,483	52	(500,000)	(500,000)	0	0
Town Planning Scheme Revenues	12,657,491	4,156,851	8,500,640	204	9,888,811	11,888,127	1,999,316	17
Town Planning Scheme Expenses	(8,373,641)	(1,271,600)	(7,102,041)	(559)	(11,355,740)	(11,470,860)	(115,120)	(1)
Capital Expenditure	(14,683,374)	(28,380,888)	13,697,514	48	(83,216,863)	(85,142,664)	(1,925,801)	(2)
Proceeds From Disposal Of Assets	519,699	484,455	35,244	7	1,453,365	1,453,365	0	0
	(6,371,046)	5,207,886	(11,578,932)	(222)	(16,614,099)	(17,109,059)	(494,960)	(3)
Non-Cash Amounts Excluded								
Contributed Physical Assets	0	(25,000,000)	25,000,000	100	(50,000,000)	(50,000,000)	0	0
Profit on Asset Disposals	(740,547)	(166,667)	(573,881)	(344)	(1,000,000)	(1,000,000)	0	0
Loss on Assets Disposals	80,184	166,667	(86,483)	(52)	500,000	500,000	0	0
	(660,363)	(25,000,000)	24,339,637	97	(50,500,000)	(50,500,000)	0	0
	(7,031,409)	(19,792,114)	12,760,705	64	(67,114,099)	(67,609,059)	(494,960)	(1)
FINANCING ACTIVITIES								
Contributions from New Loans	2,700,000	3,262,653	(562,653)	(21)	3,262,653	3,262,653	0	0
Transfers from Restricted Grants, Contributions & Loans	0	976,808	(976,808)	(100)	2,930,424	2,930,424	0	0
Transfers to Restricted Grants, Contributions & Loans	(693,072)	0	(693,072)	(100)	0	0	0	0
Transfers from Reserves	2,525,790	15,008,831	(12,483,041)	(494)	46,479,857	45,026,492	(1,453,365)	(3)
Transfers to Reserves	0	(9,120,076)	9,120,076	100	(27,360,228)	(27,360,228)	0	0
Transfers from Schemes	0	3,785,247	(3,785,247)	(100)	11,355,740	11,355,740	0	0
Transfers to Schemes	(3,352,408)	(3,296,270)	(56,138)	(2)	(9,888,811)	(9,888,811)	0	0
	1,180,310	10,617,192	(9,436,882)	(89)	26,779,635	25,326,270	(1,453,365)	(5)
BUDGET DEFICIENCY	(35,159,763)	(44,452,736)	9,292,973	21	(150,527,181)	(152,353,930)	(1,826,749)	(1)
Amount To Be Raised From Rates	(149,159,824)	(149,973,482)	813,658	1	(151,980,546)	(151,980,546)	0	0

INVESTMENT SUMMARY - As At 31 October 2017

Face Value \$	Interest Rate %	Borrower	Rating	Maturity Date	Purchase price	Purchase Date	Current Value \$	YTD Accrued Interest \$	Accrued Interest
Current Account Investment Group									
19,475,400.00	1.45	Commonwealth Bank of Australia Perth	A1	N/A		N/A	19,475,400.00		
1,163.29	0.00	Commonwealth Bank of Australia Perth	A1	N/A		N/A	1,163.29		
Term Investment Group									
10,000,000.00	2.83	Westpac Banking Corporation	A1	14-September-2018	10,000,000.00	14-September-2017	10,036,441.10	36,441.10	36,441.10
0.00	2.82	Bendigo Bank	A2	20-October-2017	0.00	21-October-2016	0.00	-	0.00
0.00	2.85	Westpac Banking Corporation	A1	26-October-2017	0.00	26-October-2016	0.00	-	0.00
5,000,000.00	2.70	Bank of Queensland	A2	29-March-2018	5,000,000.00	29-March-2017	5,079,890.41	45,493.15	79,890.41
20,000,000.00	2.92	Bendigo Bank	A2	17-November-2017	20,000,000.00	18-November-2016	20,555,200.00	196,800.00	555,200.00
20,000,000.00	2.99	Westpac Banking Corporation	A1	06-December-2017	20,000,000.00	06-December-2016	20,539,019.18	201,517.81	539,019.18
25,000,000.00	2.75	Bank of Queensland	A2	15-February-2018	25,000,000.00	16-February-2017	25,484,075.34	231,678.08	484,075.34
15,000,000.00	2.71	Commonwealth Bank of Australia Perth	A1	07-March-2018	15,000,000.00	07-March-2017	15,265,060.27	136,984.93	265,060.27
20,000,000.00	2.69	Commonwealth Bank of Australia Perth	A1	21-March-2018	20,000,000.00	21-March-2017	20,330,169.86	181,298.63	330,169.86
15,000,000.00	2.70	Bendigo Bank	A2	08-January-2018	15,000,000.00	07-April-2017	15,229,684.93	136,479.45	229,684.93
10,000,000.00	2.80	Bendigo Bank	A2	09-April-2018	10,000,000.00	07-April-2017	10,158,794.52	94,356.16	158,794.52
10,000,000.00	2.80	Members Equity Bank Melbourne	A2	03-May-2018	10,000,000.00	03-May-2017	10,138,849.32	94,356.16	138,849.32
12,000,000.00	2.66	Members Equity Bank Melbourne	A2	10-November-2017	12,000,000.00	29-June-2017	12,108,440.55	107,566.03	108,440.55
10,000,000.00	2.70	Members Equity Bank Melbourne	A2	30-January-2018	10,000,000.00	29-June-2017	10,091,726.03	90,986.30	91,726.03
10,000,000.00	2.65	Bank of Queensland	A2	30-April-2018	10,000,000.00	29-June-2017	10,090,027.40	89,301.37	90,027.40
10,000,000.00	2.65	Bank of Queensland	A2	31-May-2018	10,000,000.00	29-June-2017	10,090,027.40	89,301.37	90,027.40
10,000,000.00	2.65	Bank of Queensland	A2	29-June-2018	10,000,000.00	29-June-2017	10,090,027.40	89,301.37	90,027.40
10,000,000.00	2.68	Bank of Queensland	A2	19-January-2018	10,000,000.00	04-July-2017	10,087,375.34	87,375.34	87,375.34
10,000,000.00	2.70	Bank of Queensland	A2	07-June-2018	10,000,000.00	04-July-2017	10,088,027.40	88,027.40	88,027.40
5,000,000.00	2.69	Members Equity Bank Melbourne	A2	28-December-2017	5,000,000.00	04-July-2017	5,043,850.68	43,850.68	43,850.68
5,000,000.00	2.80	Westpac Banking Corporation	A1	07-July-2018	5,000,000.00	07-July-2017	5,044,493.15	44,493.15	44,493.15
5,000,000.00	2.69	Members Equity Bank Melbourne	A2	30-January-2018	5,000,000.00	07-July-2017	5,042,745.21	42,745.21	42,745.21
10,000,000.00	2.68	Members Equity Bank Melbourne	A2	26-April-2018	10,000,000.00	07-July-2017	10,085,172.60	85,172.60	85,172.60
5,000,000.00	2.47	National Australia Bank	A1	12-February-2018	5,000,000.00	15-August-2017	5,026,053.42	26,053.42	26,053.42
5,000,000.00	2.50	National Australia Bank	A1	15-May-2018	5,000,000.00	15-August-2017	5,026,369.86	26,369.86	26,369.86
10,000,000.00	2.55	National Australia Bank	A1	20-August-2018	10,000,000.00	18-August-2017	10,051,698.63	51,698.63	51,698.63
5,000,000.00	2.55	Members Equity Bank Melbourne	A2	19-February-2018	5,000,000.00	21-August-2017	5,024,801.37	24,801.37	24,801.37
5,000,000.00	2.65	Members Equity Bank Melbourne	A2	18-June-2018	5,000,000.00	21-August-2017	5,025,773.97	25,773.97	25,773.97
5,000,000.00	2.65	Members Equity Bank Melbourne	A2	23-July-2018	5,000,000.00	21-August-2017	5,025,773.97	25,773.97	25,773.97
5,000,000.00	2.65	Members Equity Bank Melbourne	A2	21-August-2018	5,000,000.00	21-August-2017	5,025,773.97	25,773.97	25,773.97
10,000,000.00	2.55	National Australia Bank	A1	03-August-2018	10,000,000.00	29-August-2017	10,044,013.70	44,013.70	44,013.70
10,000,000.00	2.62	Commonwealth Bank of Australia Perth	A1	31-August-2018	10,000,000.00	05-September-2017	10,040,197.26	40,197.26	40,197.26
20,000,000.00	2.62	Commonwealth Bank of Australia Perth	A1	10-September-2018	20,000,000.00	05-September-2017	20,080,394.52	80,394.52	80,394.52
20,000,000.00	2.62	Commonwealth Bank of Australia Perth	A1	26-September-2018	20,000,000.00	05-September-2017	20,080,394.52	80,394.52	80,394.52
15,000,000.00	2.83	Westpac Banking Corporation	A1	18-September-2018	15,000,000.00	14-September-2017	15,054,661.64	54,661.64	54,661.64
10,000,000.00	2.59	Commonwealth Bank of Australia Perth	A1	15-October-2018	10,000,000.00	20-October-2017	10,007,805.48	7,805.48	7,805.48
20,000,000.00	2.70	Westpac Banking Corporation	A1	26-October-2018	20,000,000.00	26-October-2017	20,007,397.26	7,397.26	7,397.26
	Weighted Return								
411,476,563.29	2.65%	Totals					415,676,770.96	2,734,635.89	4,200,207.67

1.76% 12 month Bloomberg AusBond Bank Bill Index for 31 October 2017

0.89% Differential between Council's Weighted Return and Bloomberg AusBond Bank Bill Index

Notes: Face Value - refers to the principal amount invested.

Interest Rate - refers to the annual interest rate applicable to the investment.

Borrower - refers to the institution through which the City's monies are invested.

Rating - refers to the Standard & Poor Short Term Rating of the Borrower which, per Council Policy, must be a minimum of A2.

INDIVIDUAL ADI LIMITS - As At 31 October 2017

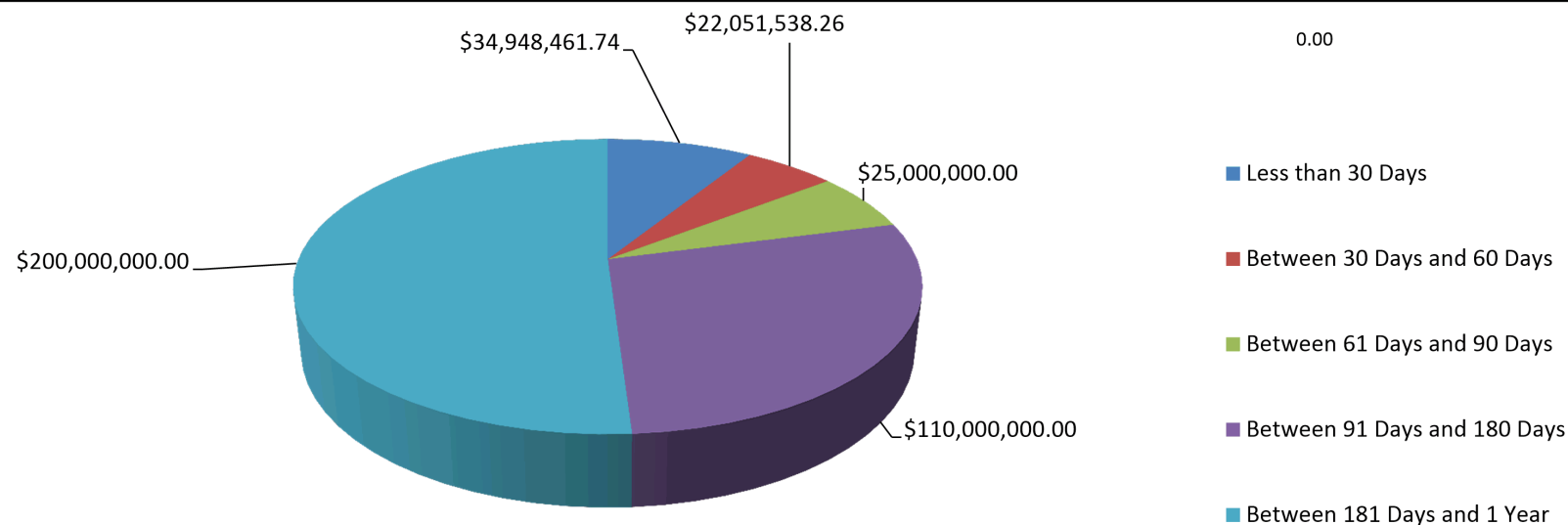
BORROWER	INVESTMENT RATING	FACE VALUE (\$)	MAXIMUM LIMIT PER INVESTMENT POLICY (\$)	INVESTMENT BALANCE (%)	MAXIMUM LIMIT PER INVESTMENT POLICY (%)
Commonwealth Bank of Australia Perth	A1	114,476,563.29	205,738,281.65	27.82	50.00
National Australia Bank	A1	30,000,000.00	205,738,281.65	7.29	50.00
Westpac Banking Corporation	A1	70,000,000.00	205,738,281.65	17.01	50.00
Bank of Queensland	A2	80,000,000.00	102,869,140.82	19.44	25.00
Bendigo Bank	A2	45,000,000.00	102,869,140.82	10.94	25.00
Members Equity Bank Melbourne	A2	72,000,000.00	102,869,140.82	17.50	25.00
Totals		411,476,563.29		100.00	

OVERALL CREDIT PROFILE - As At 31 October 2017

	INVESTMENT RATING	FACE VALUE (\$)	MAXIMUM LIMIT PER INVESTMENT POLICY (\$)	INVESTMENT BALANCE (%)	MAXIMUM LIMIT PER INVESTMENT POLICY (%)
Subtotal of Securities	A1	214,476,563.29	411,476,563.29	52.12	100.00
Subtotal of Securities	A2	197,000,000.00	329,181,250.63	47.88	80.00
Totals		411,476,563.29		100.00	

Maturity Breakdown - As At 31 October 2017

Maturity Profile	Face Value	% Portfolio	Number of Investments	Minimum Investment Value	Maximum Value Investment
Current Account	\$19,476,563.29	4.73%	2.00	\$1,163.29	\$19,475,400.00
Less than 30 Days	\$34,948,461.74	8.49%	2.00	\$12,000,000.00	\$20,000,000.00
Between 30 Days and 60 Days	\$22,051,538.26	5.36%	2.00	\$5,000,000.00	\$20,000,000.00
Between 61 Days and 90 Days	\$25,000,000.00	6.08%	2.00	\$10,000,000.00	\$15,000,000.00
Between 91 Days and 180 Days	\$110,000,000.00	26.73%	10.00	\$5,000,000.00	\$25,000,000.00
Between 181 Days and 1 Year	\$200,000,000.00	48.61%	19.00	\$5,000,000.00	\$20,000,000.00
Totals	\$411,476,563.29	100.00%	37.00		



Strategic & Business Planning

CS03-12/17 Annual Report 2016/17

File Ref: 29932 – 17/407597
Responsible Officer: Director Corporate Strategy and Performance
Disclosure of Interest: Nil
Attachments: 1

Moved Mayor Roberts, Seconded Cr Treby

That Council ADOPTS the unbranded City of Wanneroo Annual Report 2016/17 as shown in Attachment 1.

CARRIED UNANIMOUSLY

Attachment 1 – The City of Wanneroo Annual Report

This attachment will be available under separate printed cover.

Administration Use Only

Attachment 1 – HPE 17/348676

Transactional Finance

CS04-12/17 Petition PT01-09/17 - Settlers Ridgewood Rise Lifestyle Village Differential Rating

File Ref: 2095V03 – 17/394446
 Responsible Officer: Director Corporate Strategy and Performance
 Disclosure of Interest: Nil
 Attachments: 1

Moved Cr Cvitan, Seconded Cr Fenn

That Council:-

1. NOTES the differential rating category being applied to 76 Ridgewood Boulevard, Ridgewood is Residential Improved;
2. DOES NOT SUPPORT the petition requesting the City implement an additional differential rating category for Lifestyle Villages given the previous Council endorsement of the Rating Strategy Review Committee's conclusions (CS02-04/16) that there was no substantive difference in the services Lifestyle Villages receive over other residences; and
3. AUTHORISES the Director Corporate Strategy and Performance to advise the petitioners of Council's decision.

Motion to Amend

Moved Cr Zappa, Seconded Cr Hayden

That a new recommendation 4 be added as follows:

4. ***Requests that the Mayor and the Director of Corporate Strategy and Performance write respectively to the Minister for Local Government, Sport and Cultural Industries to convey the petitioners concerns and for it to be considered in Phase 2 of the Local Government Act review.***

CARRIED
11/3

For the motion: Cr Cvitan, Cr Driver, Cr Fenn, Cr Flood, Cr Hayden, Cr Newton, Cr Nguyen, Mayor Roberts, Cr Sangalli, Cr Treby and Cr Zappa

Against the motion: Cr Aitken, Cr Coetzee, Cr Simpkins

Substantive Motion as Amended

That Council:-

1. NOTES the differential rating category being applied to 76 Ridgewood Boulevard, Ridgewood is Residential Improved;
2. DOES NOT SUPPORT the petition requesting the City implement an additional differential rating category for Lifestyle Villages given the previous Council endorsement of the Rating Strategy Review Committee's conclusions (CS02-04/16) that there was no substantive difference in the services Lifestyle Villages receive

over other residences; and

3. **AUTHORISES** the Director Corporate Strategy and Performance to advise the petitioners of Council's decision.
4. Requests that the Mayor and the Director of Corporate Strategy and Performance write respectively to the Minister for Local Government, Sport and Cultural Industries to convey the petitioners concerns and for it to be considered in Phase 2 of the Local Government Act review.

The substantive motion as amended was put and

**CARRIED
11/3**

For the motion: Cr Cvitan, Cr Driver, Cr Fenn, Cr Flood, Cr Hayden, Cr Newton, Cr Nguyen, Mayor Roberts, Cr Sangalli, Cr Treby and Cr Zappa

Against the motion: Cr Aitken, Cr Coetzee, Cr Simpkins

Property Services

CS05-12/17 Wanneroo BMX Raceway Club Inc - Proposed New Lease Over Portion of Lot 1100 (176) Mary Street, Pearsall

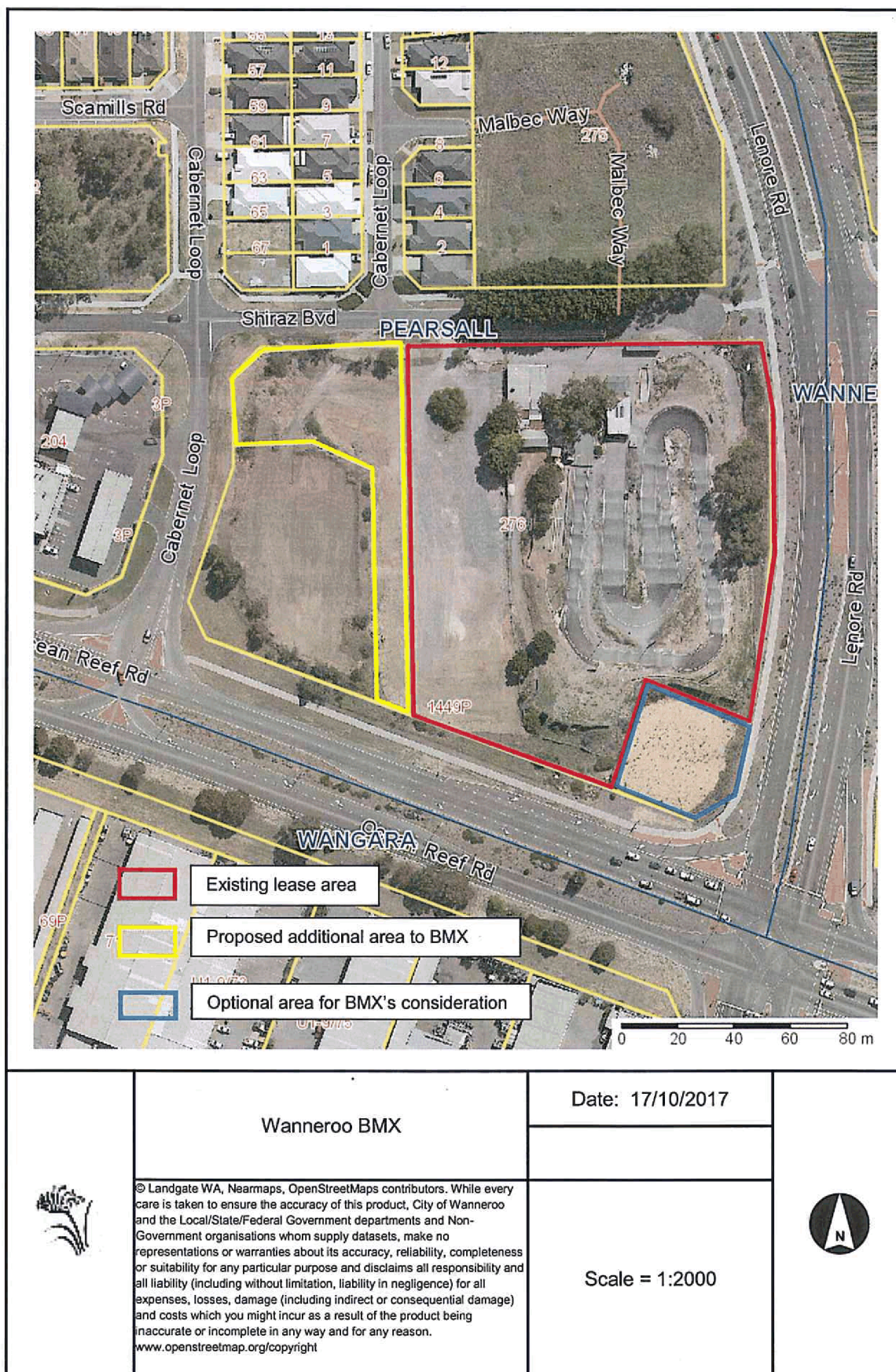
File Ref:	3846 – 17/264577
Responsible Officer:	Director Corporate Strategy and Performance
Disclosure of Interest:	Nil
Attachments:	2

Moved Cr Newton, Seconded Cr Fenn

That Council:-

1. **APPROVES** a five (5) year land lease to the Wanneroo BMX Raceway Club Inc over portion of Lot 1100 (276) Shiraz Boulevard, Pearsall as shown on Attachment 2, commencing on date of execution of the lease by the parties; and
2. **AUTHORISES** the affixing of the Common Seal of the City of Wanneroo to a 'land only' lease between the City and the Wanneroo BMX Raceway Club Inc in accordance with the City's Execution of Documents Policy.

CARRIED UNANIMOUSLY



CS06-12/17 Revised Leasing Policy

File Ref: 6193 – 17/382039
Responsible Officer: Director Corporate Strategy and Performance
Disclosure of Interest: Nil
Attachments: 2

Moved Cr Hayden, Seconded Cr Treby

That Council APPROVES the revised Leasing Policy as shown as Attachment 2.

CARRIED UNANIMOUSLY



Policy Manual

Leasing Policy

Policy Owner:	Property Services
Contact Person:	Manager Property Services
Date of Approval:	5 December 2017

POLICY STATEMENT

"The purpose of this Policy is to provide a framework and basic principles for Tenant arrangements at City owned and managed facilities (including land) (**Facilities**)."

POLICY OBJECTIVE

- provide a consistent and equitable approach to tenure arrangements for all Tenants;
- align with priorities in the City's Strategic Community Plan;
- ensure that the usage of Facilities meets a worthwhile need for the local community, thereby providing a benefit for the local community;
- ensure that use and/or membership is available to local residents in the case of Categories 2, 6, 7, 8 and 9 (Annexure 1);
- ensure all Facilities are maintained to a high standard, have appropriate access for all current and future Tenants (and their staff/patrons) and are managed safely and effectively;
- provide guidance to Administration to assess and negotiate Lease agreements; and
- provide an appropriate return to the City.

SCOPE

The City recognises that all Tenants within the Wanneroo locality are valuable to the community through the provision of commercial, government, sporting or charitable services and therefore the City's main objective is to provide a consistent and equitable approach to each user group.

This Policy applies to all Facilities including sporting, recreational, community, commercial, industrial, government, residential and Caravan Park where the use of the Facility, or land, is not governed by the Facility Hire and Use Policy.

IMPLICATIONS (Strategic, Financial, Human Resources)

Equitable Approach

In order to achieve a non-discriminatory approach to all groups the following terms will apply to each Lease/Licence:



Policy Manual

- All Lease proposals will require a formal submission (including a comprehensive business plan) from the interested user group, club or organisation, or other entity requesting exclusive use of a Facility for a fixed term, other than for use in accordance with the City's Facility Hire and Use Policy.
- Any new Lease arrangement will require evidence that the proposed service provides an identified need of the community within the Wanneroo district, and should be such that, were it not provided, the City may need to consider doing so.
- Each Tenant shall be classified into a specific category described in **Annexure 1**. The type of category will determine the method of dealing and rent and/or maintenance fee payable when negotiating a Lease.
- Lease inspections will occur annually by the City, with prior sufficient notice given to Tenants.
- Wherever practicable Categories 3-5 should be the only Tenants who lease Freehold land (unless that Freehold land is a dedicated Community Purpose Site). All other categories will be leased on Crown Land, managed by the City in order to realise the economic value of the land, unless under a full commercial rental arrangement.
- Any new tenancy arrangement should be negotiated on the terms set out in this Policy in conjunction with the accompanying Management Procedure and other supporting documents.
- Where Commercial activity is undertaken by a subtenant/sublicensee then a 20% rent fee will be payable by the Tenant to the City, regardless of whether or not the activity is related to the activity being carried out by the Tenant.
- In circumstances where the Leased area is the subject of a Head Lease the Sublease rental shall be at least equal to the rental payable under the Head Lease and the term must expire at least one day prior to that of the Head Lease.
- Where the user of a Facility enjoys exclusive use of either part or all of that Facility then that arrangement shall be the subject of an appropriately negotiated Lease, subject to Council approval (or delegation) and where appropriate, the approval of the WAPC and the Department of Planning, Lands & Heritage.
- Due to the uncertainties surrounding future land use, economic factors and other longer-term considerations that may impact on the management of City's Leased Facilities, Lease tenure (other than for Categories 1-4 and 9) will not generally be negotiated for a term, including options, longer than ten (10) years. If longer, these Leases may include a break clause with twelve (12) months' notice with no compensation payable for the remaining term. However, where a Tenant invests significant funds or improvements into a Facility and if the Lease is a Land Lease, a longer tenure period may be considered, noting that any Lease period longer than twenty (20) years will require WAPC approval.
- Upon the Lease expiry, no recognition of prior investment by the Tenant to the capital cost of constructing the Leased Facilities shall be considered.
- Where a Tenant is responsible for the construction of a Facility or makes any structural additions or improvements to a Facility (Land Lease), the Tenant will be responsible for maintaining those structures for the initial term and any option periods (if applicable) of the Tenant's respective Lease.
- Relevant Leases will be negotiated based on market value and/or by negotiation (See **Annexure 1**).



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- All Leases will be subject to Council approval unless where an appropriate delegation of authority authorises the Chief Executive Officer (or other City officers) to approve the Lease/Licence.
- Lease or Licensing Variation requests must be received in writing with appropriate justification.
- Any Lease or License Variation may be approved under delegated authority if it is considered a minor variation, including but not limited to:
 - An area increase of no more than 50%;
 - Rent discount/abatement of no more than twelve (12) months;
 - Clause amendments or adjustments that present a low risk to the City; and
 - Entity rebranding/name changes where the operation remains the same.
- Any increase to the lease area will require advertising in accordance with legislation (unless it is an exempt disposition).
- Lease incentives may be considered by Council (or as delegated) across all categories with the exception of Residential, in order to assist with establishing new Facilities and/or to attract new businesses/tourism to the City.
- Only in extenuating circumstances will reduction, an abatement period or exemption of Lease rent or maintenance fees apply to any lease/licence. For any reduction, abatement period or exemption, the group or organisation making the request will be obliged to provide sufficient evidence and justification, including audited copies of the most recent financial accounts and will be encouraged to explore alternative options such as obtaining a grant. Approval may be determined by the Chief Executive Officer (or other officer in accordance with delegated authority).

Categories

Subject to any overriding land and legislative compliance requirements, if the use of Facilities is exclusive, then, for the purpose of tenancy negotiations, the Tenant shall be classified into one of the categories outlined in **Annexure 1**.

City Rates

- Section 6.26(1) of the *Local Government Act 1995* states that "Except as provided in this section all land within a district is rateable land." Section 6.26(2) of the Act provides for circumstances where land is not rateable and more specifically section 6.26(2)(b) provides that land "...owned by the local government and is used for the purposes of that local government ..." would be exempt. Therefore the use of a Facility by a Tenant is not considered exempt.

Sporting, Recreational and Volunteer Groups

- Due to the recognised community benefit Sporting, Recreational and Volunteer Groups (SRVG) provide, SRVG's will only be required to pay a Lease rent for maintenance fees for their specific Leased Facility (plus GST if applicable).
- Maintenance fees will be reviewed annually and Consumer Price Index increases may apply.
- SRVG's are not required or obligated to undertake any maintenance or repairs at the Facilities except those relating to cleaning and consumables.
- SRVG's are to report any maintenance, damage or repair requirements to the City in a timely manner.



Policy Manual

- All maintenance and repair requests will be considered by the relevant City officer/s and only undertaken if deemed necessary.
- If it is considered that repairs caused by damage are solely attributable by a Tenant, repairs may be undertaken by the City, with the City reserving its right to recover all costs for those repairs.
- Approved maintenance or repairs will be undertaken by the City within a reasonable timeframe.
- Any Commercial Activity by a SRVG will require the City's prior approval.
- Where exclusive use is provided to a SRVG over a small portion of a building a standard Lease may not be practical. A simplified Lease (or Licence) in these instances is considered a more appropriate arrangement (refer Management Procedure).

Land/Ground Leases

- Where a Lease arrangement is negotiated over City owned or managed land and the improvements to the land are to be (or have been) constructed either in their entirety or predominantly by the Tenant and the City has no requirement for such improvements to remain on the land at the expiration or sooner determination of the Lease, then the Lease shall be a Land Lease.
- In the event of a Land Lease where improvements have been produced by the Tenant, maintenance and repairs by that Tenant will also include those of a structural nature. The City shall stipulate whether, at the determination of the Lease, the improvements shall remain and ownership transfer to the City or such improvements shall be removed at the Tenant's cost.

Lease Rent

Refer **Annexure 1**

Licence Agreements

In certain situations, an arrangement for the non-exclusive use of Facilities will arise which are not covered under the City's Facility Hire and Use Policy. Given the nature of such arrangements it is appropriate for the City, subject to Council approval, to grant a Licence acknowledging that Lease and Licence arrangements may overlap from time to time.

IMPLEMENTATION

Implementation of this Policy will take effect immediately for all existing and future leases subject to existing Lease/Licence documentation conditions.

ROLES AND RESPONSIBILITIES

The Property & Leasing Officers will be responsible for the administration, enforcement, publication and compliance of the Policy and any need for further clarification will be referred to the Manager Property Services.



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Inspections will be coordinated by Property Services and carried out by Property Services, Building Maintenance, Health Services (public buildings and food premises only) and external contractors of the City as required, with appropriate feedback given to the Tenant and/or repairs undertaken by the City in accordance with the terms of the Lease agreement.

DISPUTE RESOLUTION (If applicable)

All disputes relating to the condition of Facilities will be referred to the Manager Asset Maintenance.

All other disputes in regard to this Policy that cannot be resolved by Property Services will be referred to the Director Corporate Strategy & Performance in the first instance. In the event that an agreement cannot be reached, the matter will be submitted to the Chief Executive Officer for determination.

EVALUATION AND REVIEW PROVISIONS

- Fair and equitable Leasing arrangements in place;
- Leasing documentation in accordance with relevant legislation; and
- High standard and safe Facilities across all categories.

DEFINITIONS

City: City of Wanneroo

Charitable/Religious Groups: Not for Profit groups generally formed for religious purposes, predominantly grant funded and that of which derive a level of income from such activity.

Council: a body of individuals elected by City ratepayers to manage the affairs of the City

Crown Land: public land owned by the State of Western Australia and managed by the City pursuant to a Management Order

Commercial Activity: an activity generating income by the Tenant (or its subtenant/licensee) from ongoing activities, or a specific event, that has financial profit as its primary aim or where such activity is conducted by a non-exempt body or organisation under the *Local Government Act 1995*. This is not intended to include clubs undertaking normal fundraising activities for club members (including bar operations).

Department of Planning, Lands & Heritage: a government body appointed to manage Western Australia's Crown land

Facility/Facilities: land or building owned or managed by the City

Freehold Land: land owned by the City in perpetuity

Head Lease: the original Lease between the Tenant/lessee and the landlord/lessor

Land Lease: also known as a ground lease. An agreement in which a Tenant is permitted to develop a piece of land during the lease term, after which the land and all improvements revert to the City.

Lease: a contract by which one party conveys land, property or services to another for a specified time usually in return for a periodic payment



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Licence: an arrangement for the non-exclusive use of a Facility not covered under the City's current Facility Hire & Use Policy

Not for Profit: The term Not for Profit generally relates to incorporated bodies. Those bodies are not necessarily precluded from making profits but are regulated by the *Associations Incorporation Act 2015* so as members of the association are not entitled to share in any pecuniary profits.

SRVG means Sporting, Recreational or Volunteer Groups: Not for Profit groups of a sporting, recreational and community nature, (including football clubs, athletics clubs, soccer clubs, sports and social clubs, surf lifesaving clubs, Men's Sheds, Scouts and the like), whether incorporated or not, that would be deemed exempt dispositions under the *Local Government Act 1995*.

Residential: area primarily used for housing

Retail Business: a business that wholly or predominantly involves the sale of goods to the public in relatively small quantities for use or consumption rather than for resale

Sporting Club: incorporated association, a club for the purpose of playing one or more sports

Strategic Plan: the City's process defining its approach in order to make decisions on allocating its resources to pursue its direction

Sublease: a lease by a Tenant of part or all of the Facility/land to another person/entity but with the original Tenant retaining some right or interest under the original Lease.

Tenant/s: a person or persons who occupy a Facility, Leased from the City, also known as lessee

Variation: a change, removal or slight alteration to a Lease or License condition/clause.

WAPC means the Western Australian Planning Commission: being a statutory authority of the Government of Western Australia that exists to coordinate planning for future land use and transport needs

RELEVANT POLICIES/MANAGEMENT PROCEDURES/DOCUMENTS OR DELEGATIONS

Leasing Management Procedure

REFERENCES

Local Government Act 1995

Commercial Tenancy (Retail Shops) Agreements Act 1985

Residential Tenancies Act 1987

Residential Park (Long-stay Tenants) Act 2006 & Regulations

Land Administration Act 1997

Planning & Development Act 2005

Town of Cambridge Leasing Policy

Associations Incorporation Act 2015

RESPONSIBILITY FOR IMPLEMENTATION

Property Services (Corporate Strategy & Performance)

Version	Next Review	Record No:
5	1 February 2022	17/397764



Policy Manual

ANNEXURE 1 – CATEGORIES OF TENANTS

Category No.	Tenant Description	Reference	Method of Calculation of Lease Fees	Tenant Responsibilities
1.	Government	A group or organisation that is either a Statutory body being a Commonwealth, State or Local Government Authority or Agency, or any other body that is grant funded for the purpose of carrying on the activity in question and that body derives a level of income from such activity.	By Negotiation (Market Valuation discounted by 50%)	Cleaning, consumables, repairs, rates and taxes, maintenance, insurances and all outgoing associated with the facility.
2.	Charitable/ Religious	A group or organisation that is predominantly grant funded for the purpose of carrying on the activity in question and that body derives a level of income from such activity.	By Negotiation (Market Valuation discounted by 50%)	Cleaning, consumables, repairs, rates and taxes, maintenance, insurances and all outgoing associated with the facility.
3.	Commercial	Being non-exempt dispositions under the <i>Local Government Act 1995</i> . Where that activity being undertaken is essentially a profit making venture as distinct from fundraising, regardless of whether the body is incorporated or not.	By Negotiation (at Full Market Value)	Cleaning, consumables, repairs, rates and taxes, maintenance, insurances and all outgoing associated with the facility.
4.	Retail	Being non-exempt dispositions under the <i>Local Government Act 1995</i> . Where that activity being undertaken is essentially a profit making venture as distinct from fundraising, regardless of whether the body is incorporated or not.	By Negotiation (at Full Market Value) and the <i>Commercial Tenancy (Retail Shops) Agreements Act 1985</i>	Cleaning, consumables, repairs, rates and taxes, maintenance, insurances and all outgoing associated with the facility.
5.	Residential	Those tenancy arrangements governed by the <i>Residential Tenancies Act 1987</i> and / or the <i>Residential Park (Long-stay Tenants) Act 2006</i> & Regulations.	By Negotiation (at Full Market Value) subject to the <i>Residential Tenancies Act 1987</i> and the <i>Residential Park (Long-stay Tenants) Act 2006</i> & Regulations.	Cleaning, consumables, repairs, rates and taxes, maintenance, insurances and all outgoing associated with the facility.
6.	Sporting or Recreational	Being sporting and recreational groups (whether incorporated or not) that would be deemed exempt dispositions under the <i>Local Government Act 1995</i> , excluding Wanneroo Raceway.	Full maintenance fees payable applicable to that Facility	Cleaning, consumables, rates and taxes, insurances and all outgoing associated with the facility. All maintenance and repairs will be undertaken by the City
7.	Volunteers	Member based not for profit group made up of mostly community representatives and volunteers, (whether incorporated or not) set up to provide help and raise money for those in need and deemed exempt dispositions under the <i>Local Government Act 1995</i> .	Maintenance fees discounted by 50%	Cleaning, consumables, rates and taxes, insurances and all outgoing associated with the facility. All maintenance and repairs will be undertaken by the City
8.	Child Health Clinics	Services provided by community child health nurses, employed by WA Health, deemed exempt dispositions under the <i>Local Government Act 1995</i> .	Peppercorn (\$1)	Cleaning, consumables, rates and taxes, insurances and all outgoing associated with the facility. All maintenance and repairs will be undertaken by the Department.
9.	Other	Wanneroo Raceway Ground Lease	By Negotiation (at Full Market Value)	Cleaning, consumables, repairs, rates and taxes, maintenance, insurances and all outgoing associated with the facility including those of a structural nature.

CS07-12/17 Strategic Land Policy

File Ref: 26688 – 17/411571
Responsible Officer: Director Corporate Strategy and Performance
Disclosure of Interest: Nil
Attachments: 1

Moved Cr Hayden, Seconded Cr Treby

That Council ADOPT the Strategic Land Policy as detailed in Attachment 1.

CARRIED UNANIMOUSLY



Policy Manual

Strategic Land Policy

Policy Owner:	Property Services
Contact Person:	Manager Property Services
Date of Approval:	Date the policy was approved by Council and Resolution Number

POLICY STATEMENT

The purpose of this policy is to deliver a structured and consistent approach to Land based, strategic, economic, community or environmental outcomes to fulfil the stated policy objectives whilst aligning with the Strategic Community Plan year. (SCP)

POLICY OBJECTIVES

- To create property based income streams other than from Rates;
- To achieve superior planning and environmental outcomes;
- To address market failure in desirable planning solutions;
- To facilitate creation of local jobs (favourable economic outcome);
- To ensure appropriate use of City owned and controlled **Freehold** and **Crown lands**; and
- Divestment or development of identified City Owned or Crown land.

SCOPE

This policy is to guide Administration in its Land management, acquisition, development and sale/lease activities. It will require a working group drawn from across various service units including:

- Property Services
- Strategic Land Use Planning
- Advocacy and Economic Development
- Strategic Finance
- Community Facilities

The team will be under the guidance and sponsorship of the Chief Executive Officer. The Strategic Lands Working Group will be formed following policy adoption, comprising the Directors from Planning & Sustainability and Corporate Strategy & Performance together with Managers from Property Services, Economic Development, Finance and Community Facilities.

The Working Group will report to the Executive Leadership Team (ELT) periodically and to Council annually.

IMPLICATIONS (Strategic, Financial, Human Resources)

This policy aligns with the SCP (Civic Leadership), Corporate Business Plan (CBP) and will be incorporated into respective Service Plans (SP).

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This policy will also address financial sustainability by producing new non-rates income streams.

Property Investment decisions will consider:

- *Strategic acquisitions (future planning) / and divestment;*
- *Options for land holdings (hold/develop/divest);*
- *Returns (profits) on funds employed;*
- *Use of Net Present Value (NPV) calculations with a discount rate of 2% above average City cash earnings rate;*
- *Risk associated with the proposal;*
- *Locality of the development/investment;*
- *Current market trends and conditions based on analysis and environmental scans;*
- *Market demand for, and supply of, the property in question;*
- *On-going costs relating to the provisions of building maintenance/refurbishment;*
- *Community objectives expected; and*
- *Appropriateness of the property and its use as an asset owned by a public authority.*

Property Divestment decisions will consider whether:

- *The property is being used for the purposes intended at the time of the acquisition;*
- *The property is serving an operational or community need;*
- *The property is facilitating service delivery objectives;*
- *The property may suit an alternative use;*
- *Property disposal would deliver better outcomes for the local community; and*
- *The property provides the expected return and represents an unacceptable risk to the City.*

Property Development/investment Opportunities will consider:

- *The potential to provide greater return than is presently being obtained by the invested funds;*
- *The Gross Realisation achievable;*
- *Provisions of market supply and demand, realistic development potential, capital growth, secured income and the potential for increase in resale value;*
- *Residential, industrial, commercial or community facilities (i.e. retirement village); and*
- *Scope for increasing the return on property assets if certain alterations, renovations and/or change of land use are made.*

Service & Infrastructure Commercialisation

- *Property management;*
- *Service review for City services;*
- *Recording of leasing opportunities, vacant office and retail space;*
- *Marketing of vacant property;*
- *Efficient and innovative use of existing infrastructure.*

Funding

A Strategic Land Reserve (SLR) is to be created initially seeded from the Strategic Reserve. Additionally, funds may be raised by external loans or Municipal funds. All proceeds or

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income from land disposals/rentals to be credited to the SLR with optional annual appropriations to defray required Rate Setting as decided by Council at end of each financial year. The balance of the SLR will be invested in property development projects and/or property investment purchases that will generate either viable short-term cash flows or long-term capital gains, or both.

IMPLEMENTATION

This policy will be supported by procedures and guidelines including business case templates for each policy objective. Expenditures and Sales income will be channelled through the discrete Reserve and a report will be presented to Council at least annually for incorporation into the Annual Report. Specific delegations will be requested.

ROLES AND RESPONSIBILITIES

This Policy is to be used to guide the Council and Administration staff in the various facets of Strategic Land Management.

DISPUTE RESOLUTION (If applicable)

Not applicable.

EVALUATION AND REVIEW PROVISIONS

The adopted policy will be evaluated as to its effectiveness in achieving its outcomes by annual reviews identifying projects undertaken with planned and actual returns achieved. Key performance indicators will include Profit, Cashflow, Community resource enhancement and Planning outcomes achieved to ensure that the policy is meeting objectives and accountability requirements.

DEFINITIONS

DEFINITIONS: Any definitions listed in the following table apply to this document only.

SCP	Strategic Community Plan
NPV	Net Present Value – a model that reveals the sum of all future cash flows, brought back to today's value by use of a discount rate
Discount Rate	The rate at which to discount future cash flows, using the City's average cash earnings rate over the previous financial year plus 2% as a risk premium to equate to an equivalent investment risk profile.
CBP	Corporate Business Plan
SUP	Service Unit Plan
Freehold Land	Land owned by the City in Fee Simple
Crown Land	Land owned by the State of Western Australia, vested in the

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Gross Realisation	<p><i>City for a specific use or uses.</i></p> <p><i>The GST exclusive indicative price of a parcel of land calculated by deducting from the developed sale price all development costs and desired profit</i></p>
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RELEVANT POLICIES/MANAGEMENT PROCEDURES/DOCUMENTS OR DELEGATIONS

- *Procedure for acquisition, development and sale/lease of strategic landholdings*
- *Procedure for identification and acquisition of strategic landholdings to facilitate planning outcomes*
- *Procedure for obtaining ongoing market intelligence of land opportunities within the City and beyond*
- *Procedure for addressing underutilised Crown land and opportunities therein*
- *Terms of Reference for the Strategic Lands Working Group*
- *Specific delegations for Strategic Land acquisitions and related actions*
- *Panel of Real Estate professionals for market intelligence*
- *City's Risk Management guidelines and matrix*
- *Council endorsed risk tolerance*
- *City's Project Management Framework*
- *Listing of City Freehold lands*

Listing of Crown lands under City management

REFERENCES

This policy is to be read in conjunction with:

- *Leasing Policy (Trim 17/381992)*
- *Leasing Management Procedure (Trim 15/423231 v7)*
- *Sale of Land Management Procedure (Trim 16/14103)*
- *Strategic Budget Policy (Trim 15/156551)*
- *Risk Management Policy (Trim 15/491180)*
- *Long Term Financial Plan*
- *State job self-sufficiency targets (Directions 2031 and Beyond – Dept. of Planning)*
- *Local Government Act 1995 and Regulations (LGA)*
- *Land Administration Act (LAA)*
- *District Planning Scheme No.2 and relevant planning policies*

RESPONSIBILITY FOR IMPLEMENTATION

Manager Property Services

17/132940



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Version	Next Review	Record No:
1.0 - draft		17/132940

17/132940

Council & Corporate Support

CS08-12/17 Donations to be Considered by Council - December 2017

File Ref:	2855V02 – 17/414281
Responsible Officer:	Director Corporate Strategy and Performance
Disclosure of Interest:	Nil
Attachments:	Nil

Recommendation

That Council NOT APPROVE a donation in the sum of \$1,279.70 towards facility and bin hire at Warradale Hall and Park plus electrician; Event Ambulance and portable toilet costs and NOT APPROVE the 100% waiver of bond to Landsdale Community Wesleyan Methodist Church for the Landsdale Community Carols in the Park to be held on 8 December 2017.

LAPSED FOR WANT OF A MOVER

Alternative Motion

Moved Cr Zappa, Seconded Cr Treby

That Council APPROVE a donation in the sum of \$1,279.70 towards facility and bin hire at Warradale Hall and Park plus electrician; Event Ambulance and portable toilet costs and APPROVE the 100% waiver of bond to Landsdale Community Wesleyan Methodist Church for the Landsdale Community Carols in the Park to be held on 8 December 2017.

CARRIED UNANIMOUSLY

Reason for Alternative Motion

This is one of the few events in this area and has been of great success in the past at bringing the community together.

Chief Executive Office

Office of the CEO Reports

Cr Treby declared an impartiality interest in item CE01-12/17 due to working for Sport and Recreation WA, a division of the Department of Local Government, Sport and Cultural Industries.

CE01-12/17 Regional Advocacy Campaign (GAPP) Regional Recreational Infrastructure Fund

File Ref:	3015V02 – 17/412191
Responsible Officer:	Chief Executive Officer
Disclosure of Interest:	Nil
Attachments:	Nil

Moved Mayor Roberts, Seconded Cr Treby

That Council APPROVE the participation of the City of Wanneroo in a Regional Advocacy Campaign by the Growth Area Alliance Perth and Peel, for the purpose of advocating for the establishment of a National Funding program for the development of District and Regional recreational infrastructure.

CARRIED UNANIMOUSLY

Advocacy & Economic Development

CE02-12/17 Business Plan for Major Trading Undertaking - Neerabup Industrial Area

File Ref:	30136 – 17/359074
Responsible Officer:	Chief Executive Officer
Disclosure of Interest:	Nil
Attachments:	1

Moved Cr Zappa, Seconded Cr Aitken

That Council APPROVES the advertising of the Business Plan for the Major Trading Undertaking for a period of 42 days in accordance with Section 3.59 (4) of the Local Government Act 1995.

CARRIED UNANIMOUSLY



Business Plan for Major Trading Undertaking

October 20

2017

Business Plan for major trading undertaking under the Local Government Act 1995 - The Extraction of Limestone on Lot 9003 in the Neerabup Industrial Area prior to subdivision.

Neerabup
Limestone
Extraction

Reference: 17/208609

17/208609

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1. Introduction

This Business Plan outlines the resource extraction within the Neerabup Industrial Area, as required under the Local Government Act 1995, section 3.59 for a major trading undertaking.

2. Overview

2.1. Background

The City of Wanneroo (the **City**) owns three freehold lots within the Neerabup Industrial Area (**NIA**) and seeks to extract resources from the land that is found on Lot 9003 (**Land**). These lots cover an area of approximately 197 Hectares of the total 1038 Ha industrial area with a development potential in the order of 30 to 50 years.

The NIA is a large developable area with the potential to attract a range of industries and generate up to 20,000 jobs. The City is keen to ensure that the Area is developed with industries that represent leading edge businesses that promote best practice in applied technology, efficiency and environmental sustainability. To encourage and facilitate this, the City intends to adopt a set of design guidelines to apply to subdivision and development, in order to achieve high quality built form, streetscapes and landscaping.

Under the Metropolitan Region Scheme (MRS) the Area is zoned industrial and in the local scheme (DPS2) it is zoned both general industry and industrial development.

It is proposed that the industrial zoning under the MRS be retained, and under DPS2 the Area be zoned to enterprise zone, to accommodate a wide range of complementary and supporting business activities within the NIA over the short and long term.

The proposed business park zone would need to be added to DPS2 by way of an amendment. Its purpose is to provide for research and development, education and technological advancement.

The world is undergoing rapid technological change driven by continuing digital advancement. It is therefore necessary to ensure, that businesses involved in industry and commerce have the flexibility to respond, adapt and apply these changes to ensure they remain relevant, sustainable and viable into the future.

The NIA has the opportunity to be a transformational industrial area with the potential to be an exemplar of new ideas, new methods and new technologies. The land is held in multiple ownerships. Some of the land is used for quarrying, intensive horticulture, recycling, power generation and manufacturing.

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Landcorp together with the City of Wanneroo, own about 70% of the NIA.

Parts of the NIA have already been developed for industrial purposes in Meridian Park and the Flynn Drive Industrial Area. Access to these estates is from Flynn Drive via Pinnacle Road and Mather Road. Landcorp is developing Meridian Park and the Flynn Drive Industrial Area is being developed by the City of Wanneroo.

As the quarry extraction is completed, the land is then graded ready for subdivision and development. The rate of subdivision is dependent on the demand for industrial property.

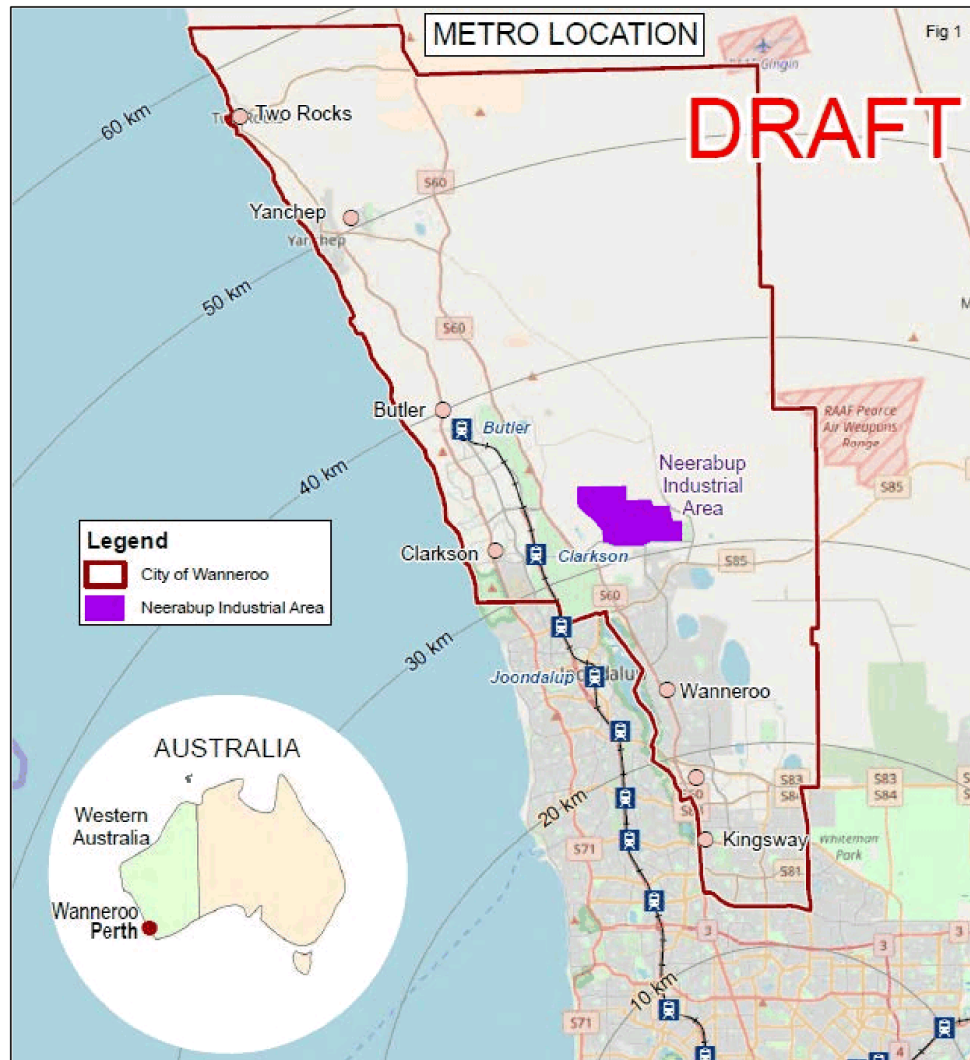
The City of Wanneroo intends to quarry the land for limestone and following the engagement of a quarry contractor it is expected that extraction could extend for 10 years. As the quarry works are completed, the land will be re-contoured to facilitate subdivision and development.

According to the Structure Plan #17 a 'Final Contour Plan' illustrates the final surface levels which must be achieved prior to subdivision and/or development of the site. In order to achieve the indicated design levels, major earthworks operations are required. The City proposes to remove the sand and limestone resources within the Land in order to achieve the required final contour levels and set up a major trading opportunity.

The material will be removed and processed for sale under a contract and extractive industries licence which is discussed in this business plan.

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Figure 1 - Site Overview



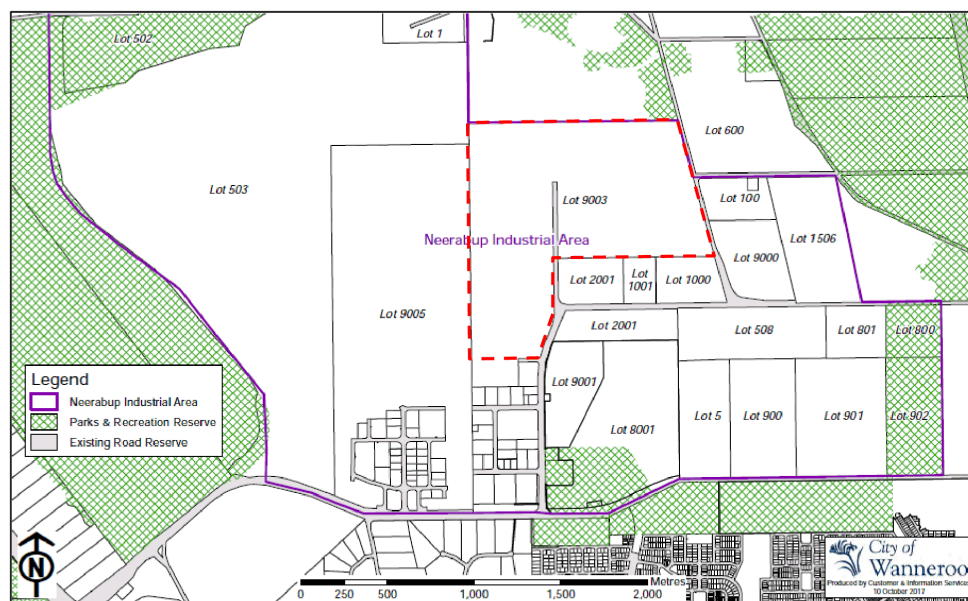
2.2. Extraction Site Description

Geotechnical studies undertaken on Lot 9003 revealed that a suitable body of limestone exists and extends west of Mather Road in the Land. It is understood that the proposed final finished levels for the Land are substantially lower than the current natural levels. To achieve the final finished levels, the limestone will need to be extracted and the City proposed to utilise the extract limestone as a resource.

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The site at which the extraction will occur comprises the part of the Land hatched out as identified in Figure 2 (Extraction Site). The Extraction Site (Lot 9003) extends from Lot 9005 boundary (Landcorp) on the west, to Mather Road on the east. The southern boundary is north of the Peak Road and extends up to Lot 12748, Barbagallo Raceway in the north.

Figure 2 - Proposed Extraction Area



The Extraction Site covers approximately 75 ha and has been unused for some time. The Extraction Site contains a limestone track which runs approximately north-south along the eastern portion of the site, and several sandy tracks used by motorcyclists in the past. Limited amount of bulk rubbish have been observed and removed in the past. Vegetation is sparsely populated and degraded containing native vegetation. The Extraction Site is zoned 'General Industrial' in accordance with the City of Wanneroo's District Planning Scheme No. 2.

3. Local Government Act compliance

In accordance with section 3.59(3) of the Local Government Act 1995, the City is required to demonstrate its intentions of the major trading undertaking. The City is required to prepare a business plan because of a major trading undertaking that it is to carry on or enter into jointly with another entity. The relevant Acts are listed below:

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- Local Government Act 1995, section 3.59(3)
- Local Government (Functions and General) Regulations 1996, section 10

As part of this business plan, it is to include details of the whole undertaking and include details of the identity of each joint venturer; any benefit to which a joint venturer may become entitled under or as a result of the joint venture; and anything to which the local government may become liable under or as a result of the joint venture.

Once the procurement process is completed, the City will update and include the details of the joint venturer (if applicable) otherwise a standard form of Contracting will be adopted.

EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE CITY
(SECTION 3.59(3)(a))

The proposed contract will facilitate the extraction of the limestone resource under contract for a period of up to 10 years. The extraction will be done in a staged approach in order to allow land to be developed subsequently. There are no further provisions required other than the monitoring and management of contractors.

EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN
THE DISTRICT (SECTION 3.59(3)(b))

It is anticipated that the land will be developed under the same legislation and provisions currently being undertaken in the Neerabup Industrial Area.

4. Proposed Major Trading Undertaking

4.1. Details of Proposed Major Trading Undertaking

The City envisage to extract limestone, sand and rock from the Extraction Site (Lot 9003) as required under the Planning and Development Act 2005 (P & D Act) before the land can be developed. The P & D Act requires approval from the Western Australian Planning Commission (WAPC) for development pursuant to section 162.

The City has obtained a clearing permit (CPS 6359/3) from the Department of Environmental Regulation for the clearing of the land on Lot 9000 on Deposit Plan 60745, Lot 9003) and to commence the works. An earthworks study has been under taken by the City, which indicates that an approximate volume of 6,077,000 cubic metres of limestone and sand should be removed from Lot 9003 to achieve the recommended contour levels. The limestone and sand will be extracted and processed for use in construction and building

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industry. The extraction process will be undertaken over several years due to the large volume of material.

The Extraction Site has safe access to major roads, and existing roads are in good condition. The access roads include Mather Drive, Flynn Drive leading onto Wanneroo Road, with a new improved junction leading onto the Mitchell Freeway. The immediate access roads leading onto the site are suitable for the volume of traffic and type of heavy vehicles. Other contractors (WA Limestone) have been operating on similar routes with little impact on local traffic. The Extraction Site is not in a visually significant location as the area is mostly undeveloped, with the undeveloped area of Meridian Park adjacent to the Extraction Site.

Structure Plan No. 17¹ indicates that the Extraction Site is zoned as Industrial Development under the District Planning Scheme No.2. The extraction process shall be in accordance with District Planning Scheme No. 2 and is consistent with the proposed zoning of the relevant Plans and Schemes.

The extraction process is a necessary activity under the West Australian Planning Commission's (WAPC) Basic Raw Material Policy,² and further considerations are listed as:

- The extraction process will not involve major disturbance of acid sulphate soils;
- The extraction process will involve clearing of vegetation under clearing permit – EPBC 2007/3479, issued by Department of Environment;
- The site provides adequate setback to existing wetlands, water courses and drainage lines as required under;
- The site is not listed as a Bush Forever area;
- The extraction process to take into account the impact on the local community;
- The proposed activity is compatible with surrounding land uses;
- Where the proposed activity causes disturbance to the amenity of the area the process will be managed to limit impact and risk;
- The Extraction Site will not have a negative visual impact on major roads, scenic areas or adjoining properties;
- The Extraction Site has adequate separation distance to any residential or special rural area, or existing dwelling in a rural area. Typically separation distances should be 500 metres to 1000 metres to any sensitive land uses, such as residential areas, schools or hospitals; and

¹ Neerabup Industrial Area Structure Plan No. 17 (Adopted: 11 January 2005) City of Wanneroo.

² Basic Raw Material Policy (WAPC July 2000) Statement of Planning Policy No.10.

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- Operational issues such as hours of operation, noise and dust monitoring and site access will be managed to limit impacts and liability.

Other relevant state and local planning policies and strategies will be addressed as part of the planning process. These include:

- State Planning Policy 2.4 Basic Raw Materials;³
- State Planning Policy 4.1 State Industrial Buffer Policy;⁴
- Extractive industry local laws;⁵
- Local planning scheme provisions;⁶
- Region scheme planning provisions.⁷

The Extraction Site has no or little effect on the provision of facilities and services by the local government or on other persons providing facilities and services in the district. During the process of extraction, and within the confines of the contractual arrangement to be agreed by the City with the extraction entity, the goal will be for little or no financial impact.

All other things being equal, the market will determine, at varying times, the price of the limestone product, which will be based on the quality and grade of what is being extracted. The undertaking will provide employment for the next 10 years and more employment will be generated as the land becomes available which will be developed for local industry.

4.2. Utilities and Services

Services have been identified along Mather Drive and Pederick Road requiring consideration and protection during the extraction process. Services will be identified (Dial before you Dig) through the relevant utility owners and protected during the operations. Services identified include:

- Western Power HV/LV (Figure 3, 6)
- Optus underground conduit and services along Mather Drive and Pederick Road (Figure 5)
- Atco Services along Mather Drive and turning right along Pederick Road (Figure 4)

³ www.planning.wa.gov.au/publications/1166.aspx.

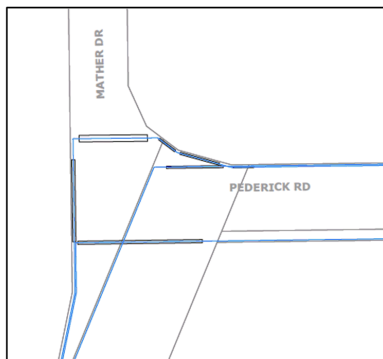
⁴ www.planning.wa.gov.au/publications/1176.aspx.

⁵ The City of Wanneroo, Local Government Act 1995, Extractive Industries Local Law 1998.

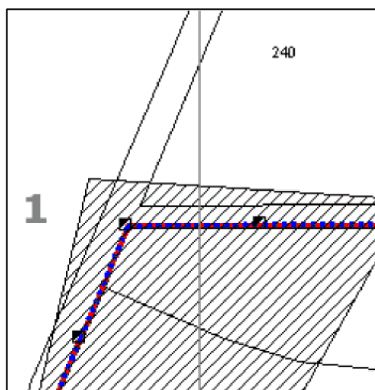
⁶ www.planning.wa.gov.au.

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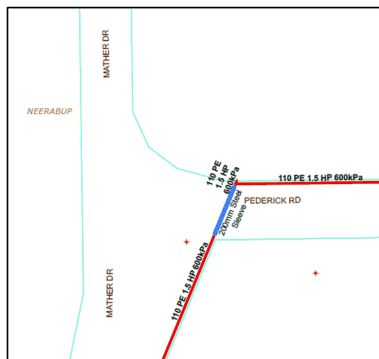
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Figure 3 - Western Power HV/LV

Known underground power lines near the boundary of Lot 9003.

Figure 5 - Optus Services

Known Optus services that service the area.

Figure 4 - Atco 600kPa pipe

Atco gas pipe crossing over Pederick Road which leads to the power plant.

Figure 6 - Overhead HV Cables

Presence of overhead power lines along Mather Road and Pederick Road.

4.3. Staged Approach

Due to the large volume of material available for extraction and the average volume that can be sold to the market, a staged approach for the resource extraction will be used, which in turn allows land development to follow.

Predicted sales volumes indicate that the Extraction Site (Lot 9003) will remain operational for approximately 10 years, although the life span is subject to demand.

Depending on demand and commercial interest, a staging model of land release will be considered. This method of managing cash flow has been standard practice in the

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development industry in recent times. Within this model, the opportunity to super lot large parcels of land for sale is also an option when cash flow is of high importance.

4.4. Risks, Constraints & Opportunities

The risks associated with the extraction process is summarised below and will be managed by the Extraction Contractor. Operational and development risks required to be managed include but not limited to the following:

- a) Environmental risks;
- b) Public and community relations;
- c) Operational risks such as dust & noise;
- d) Utilities and public infrastructure damage;
- e) Contractual and financial risks.

The City has undertaken a risk assessment on the undertaking and the risk register will be update once the tender contractual aspects and terms have been considered and then periodically thereafter as required by Policy.

4.5. Financials

This undertaking will extract and sell the limestone and sand which is expected to be a source of income. Subject to testing and suitability, the products produced from the extraction process include: limestone for the use in freeway, highway, road and driveway construction and limestone block; limestone for use in the production of pavers for residential and industrial, agricultural and soil remediation purposes; limestone armour used in breakwater construction, water revetment protection and pipe covering operations; and sand for road construction and domestic/commercial construction.

THE EXPECTED FINANCIAL EFFECT ON THE CITY OF WANEROO (SECTION 3.59(3)(c))

It is proposed that the extraction and ongoing operation on the site will be at the total cost of the contractor. A commercial contract will be negotiated on the basis of royalties or profit share. The level of return for the City is likely to be related to the volume of suitable limestone that can be sold. The successful contractor will incur expenses from the following activities:

- Site establishment costs;
- Enabling works;
- Operating costs;

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- Rehabilitation costs;
- Insurances and licenses.

Rehabilitation of the land and levelling to final contour levels will be a cost incurred at or near the end of the extraction process. To ensure an allowance is in place for the rehabilitation costs and other expected costs, the City will allocate a portion of the revenue to cover these costs.

Based on current market value of the raw material, this major undertaking will generate a significant income for the local market and the City will receive revenue in the form of royalties from the sales of material. The expected revenue for the City is dependent on the quality of the material and these royalties will be reinvested into the City's reserve fund.

Risks that could influence the financial outcome have been identified and include:

- Market demand not meeting cash flow projections;
- Sales volumes and gross revenue downward adjustment;
- Material quality is lower than expected which in turn affects commercial value;
- Duration of extraction delays which impact further development of the overall area;
- Higher than expected costs of removal of overburden and vegetation;
- Performance of extraction contractor as measured through efficiency and reliability of service provided.

Table 1 below set out the estimated volumes expected for topsoil, overburden, sand and limestone.

Table 1 - Estimated Volumes, Design Levels.

Activity description	Quantity – m3
Topsoil	
1. Removal of topsoil and site clearance to spoil	323,445
Sand	
2. Sand extraction (upper & lower sand)	4,640,582
3. Sand cut-to-fill or cut-to-stockpile-to-fill	-980,858
4. Rehabilitation including earthworks from other Lots	-437,542
5. Sand replacing Limestone final design levels to FDL minus 1.2m	0
Sand	3,222,182
Limestone	
6. Limestone extraction to final design levels (FDL)	3,661,662
7. Limestone extraction final design levels to FDL minus 1.5m	0
Limestone	3,661,662

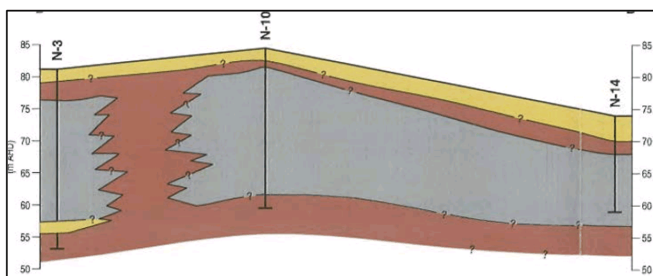
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4.6. Operational Requirements

The liability of ensuring appropriate management of the extracted resource as required under the Extractive Industries Local Law 1998 lies with the City. Limestone will be excavated mechanically up to a depth of 25m and the depth is dependent on the design volume to balance earthworks between existing contour levels and future design contour levels.

Figure 7 - Section through Limestone on Lot 9003⁸



Existing and proposed land contours will to be considered and regular survey will ensure design depths are achieved and earthworks volumes are controlled to achieve the designed final contour levels.

EXPECTED EFFECT ON MATTERS CONTAINED IN THE CITY'S PRINCIPAL ACTIVITIES PLAN (SECTION 3.59(3)(d))

The City's Strategic Community Plan 2172-2027 highlights the importance of "Strategic Growth" and incorporates a strategic goal:

"2 Economy

2.2 Strategic Growth

2.2.6 Focus on industry development in key strategic areas such as Neerabip"

⁸ ATA Environmental "Limestone Assessment, Lot 4 Mather Drive, Neerabup" (Geotechnical Report No 2006/018)

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THE ABILITY OF THE CITY TO MANAGE THE TRANSACTION (SECTION 3.59(3)(e))

The City will be obtaining professional support in the commercial negotiations and have a project manager in place to oversee the process and ongoing operations. The City manages a range of projects and a substantial property portfolio.

OTHER MATTERS (SECTION 3.59(3)(f))

The City is not aware of any other matters or regulations, which are relevant to the proposed property.

4.7. Procurement and Timeline

The City will procure a suitable contractor for the extraction process through Expression of Interest and closed tender process. The tender process will include City's policies and other considerations relevant to:

- Scope of Works;
- Specification and Conditions of Contract;
- Specific and timely performance;
- Safety performance;
- Sustainability and Environmental consideration;
- Local employment and community support;
- Innovation and use of new technologies; and
- Social and economic effects on the local community.

5. Public Consultation and Advertising**FOLLOWING THE PUBLIC ADVERTISING PERIOD (SECTION 3.59(3)(f))**

The City of Wanneroo Council will consider all submissions and may decide (by absolute majority) to proceed with the Major Undertaking as described in this plan in accordance with the provisions of the Local Government Act 1995, section 3.59. The period of advertisement will be 42 days.

Governance & Legal

CE03-12/17 Review and Repeal of Council Policies - November 2017

File Ref: 26321 – 17/406676
Responsible Officer: Executive Manager Governance and Legal
Disclosure of Interest: Nil
Attachments: 2

Moved Cr Hayden, Seconded Cr Newton

That Council:-

- 1. NOTES the review of the Investment Policy and ENDORSES the amendments shown in mark-up in Attachment 1; and**
- 2. REPEALS the Acquisition & Development of Community Purpose Sites Policy set out in Attachment 2.**

CARRIED UNANIMOUSLY



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INVESTMENT POLICY

Policy Owner: Finance Transactional Finance
Contact Person: Manager Transactional Finance
Date of Approval: 25 November 2014 CS03-12/14

POLICY OBJECTIVE

The objective of this policy is to provide a framework for how the City's municipal and trust funds are to be invested whilst ensuring compliance with legislation and requiring its ~~authorized~~ authorised officers exercise the care, diligence and skill that a prudent person would exercise in investing the Council funds.

POLICY STATEMENT

Whilst exercising the power to invest, the objectives of the Policy are threefold in terms of preservation of capital, liquidity and the return on investment.

- (a) Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding of the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
- (b) The investment portfolio must ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.
- (c) The investment is expected to achieve a predetermined market average rate of return that takes into account the City's tolerance risk in accordance to the City's Risk Management Policy. Any additional return target set by Council will also consider the risk limitation and prudent investment principles.

Approved Investments

Only the following types of securities may be included:

- Interest Bearing Term Deposits with Authorised Deposit Taking Institutions (ADIs – Australian banks, building societies and credit unions) for a maximum term of ~~one~~ three years.
- Bonds guaranteed by the Commonwealth or State or Territory Government with a maturity of less than three years.

Investments held as at the 4th April 2012 (the date of the revised Local Government (Financial Management) Amendment Regulations 2012) that complied with the prevailing Legislation prior to that date, are eligible to be held until maturity.



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Risk Management Guidelines

Investments obtained are to comply with three key criteria relating to

- (a) Portfolio Credit Framework: limit overall credit exposure of the portfolio,
- (b) Counterparty Credit Framework limit exposure to individual ADI counterparties—/institutions, and
- (c) Term to Maturity Framework: limits based upon maturity of securities.

In light of the ongoing Federal Government Guarantee on limited deposits with Australian Authorised Deposit Taking Institutions (ADIs) i.e. Banks, Building Societies and Credit Unions, any applicable investment in such institutions shall be considered to be AAA or A-1+ rated in line with the Federal Government's credit rating.

Further to this, any investment in an ADI that allows Council to demand early repayment (prior to maturity) at no penalty shall be considered to be money "at call".

For Bonds guaranteed by the Commonwealth, State or Territory of Australia, the credit rating allowable will be that of the guaranteeing government and a maximum 50% of the total portfolio can be invested in any one government body.

(a) Overall Portfolio Limits

To control the credit quality on the ADI invested portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Short Term Credit Rating	Direct Investment Maximum
A-1	100%
A-2	80%

(b) Counterparty Credit Framework

Exposure to an individual ADI counterparty/institution will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Short Term Credit Rating	Direct Investment Maximum
A-1	50%
A-2	25%



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If any of the Council's investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.

(c) Term to Maturity Framework

The investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity		
Portfolio % <1 year	Min 40%	Max 100%
Portfolio % >1 year <3 year	Min 0%	Max 60%

Investment Advisor

The City's investment advisor, if appointed, must be licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to recommend the most appropriate product within the terms and conditions of the investment policy.

The investment return for the portfolio is to be regularly reviewed by the investment advisor by assessing the market value of the portfolio. The market value is to be assessed at least monthly to coincide with monthly reporting.

The investment advisor should meet with the responsible staff and review the City's investment portfolio no less than every six months.

Prudent Person Standard

Investment will be managed with the care, diligence and skill that a prudent person will exercise. Officers are to manage the investment portfolios to safeguard the portfolios in accordance with the spirit of this Investment Policy, and not for speculative purposes.

Benchmarking

The performance of the investment portfolio shall be measured against the UBS Warburg 90 Day Bank Bill Index and/or the Reserve Bank of Australia Official Cash Rate.

Reporting

A monthly report will be provided to Council in support of the monthly statement of activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.

Documentary evidence must be held for each investment and details thereof maintained in an investment Register.



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For audit purposes, certificates must be obtained from the financial institutions confirming the amounts of investments held on the City's behalf as at 30 June each year and reconciled to the Investment Register.

SCOPE

This policy applies to all officers involved in the investment of Council funds.

CONSULTATION WITH STAKEHOLDERS

Administration has contacted the Department of Local Government to express our concerns on the inconsistency between the legislation and the previous Local Government Operational Guidelines – Number 19 February 2008. Administration noted that the said guideline has recently been temporarily withdrawn from the Department's website.

IMPLICATIONS (Financial, Human Resources)

Legislative Requirements

All investments are to comply with the following:

- *Local Government Act 1995* – Section 6.14;
- *The Trustees Act 1962* – Part III Investments;
- *Local Government (Financial Management) Regulations 1996* – Regulation 19, Regulation 28, and Regulation 49
- Australian Accounting Standards

IMPLEMENTATION

There is currently a detailed operational procedure guiding the regular funds investment activities based on the current policy's requirement. By the adoption of this revised Investment Policy, the key changes will be embedded into the operational procedure and be actioned accordingly.

ROLES AND RESPONSIBILITIES

The implementation of this Investment Policy is delegated by Council to the Chief Executive Officer (CEO) in accordance with *the Local Government Act 1995*. Pursuant to the provisions of Section 5.45 of the *Local Government Act 1995*, the CEO has delegated the day to day investment activities authority to the Director Corporate Strategy & Performance and Manager Transactional Finance, subject to regular reviews.

DISPUTE RESOLUTION

All disputes in regard to this policy will be referred to the Manager Finance in the first instance, and if unresolved, to the Operations Manager Business & Finance and then



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Director Corporate Strategy and Performance and finally be escalated to the CEO for arbitration.

WHO NEEDS TO KNOW ABOUT THIS POLICY?

All staff who are engaged in the business process of investment are required to be obliged by this policy and be aware of its implications.

EVALUATION AND REVIEW PROVISIONS

This Investment Policy will be reviewed every three years or as required in the event of legislative changes. Where, as a result of amendment to legislation or the ability arises to invest to the advantage of the City contrary to the provisions of this policy, the Chief Executive Officer may initiate such variations as deemed necessary subject to the submission of a report to the Council advising of the changes implemented to the next ordinary Council meeting.

DEFINITIONS

S&P Credit Ratings

S&P stands for Standard and Poors, which is a globally accredited professional organisation that provides analytical services. An S&P credit rating is an opinion of the general creditworthiness of an obligor with respect to particular debt security or other financial obligation based on relevant risk factors.

Credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment;
- Nature and provisions of the obligation; and
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization or other laws affecting creditors' rights.

The issue rating definitions are expressed in terms of default risk.

S&P Short Term Credit Rating A-1

This is the highest short term category used by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

S&P Short Term Credit Rating A-2

A short term obligation rated A-2 is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating



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categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

RELEVANT POLICIES/MANAGEMENT PROCEDURES/DOCUMENTS OR DELEGATIONS

This policy is supported by the following policies and/or delegations:

1. Accounting Policy
2. Section 3.1 of Delegated Authority Registry

REFERENCES

1. Standard & Poor's www.standardandpoors.com
2. The *Local Government Act 1995*;
3. The *Local Government (Financial Management) Regulations 1996*;
4. Australian Accounting Standards Board (AASB) Standards; and
5. Western Australian Local Government Accounting Manual.

RESPONSIBILITY FOR IMPLEMENTATION

Manager Finance

Version	Next Review	Record No:
CS03-03/02 19 March 2002		
CS06-08/04 31 August 2004		
CS03-11/08 28 October 2008	November 2010	
CS03-12/10 14 December 2010	November 2012	TRIM 10/68537
CS03-12/10 14 December 2010 (Administrative amendment 10 March 2011)	November 2012	TRIM 11/25148
CS03-12/14 9 December 2014	November 2017	TRIM 11/25148[v2]



Policy Manual

Acquisition & Development of Community Purpose Sites Policy

<i>Policy Owner:</i>	Community Development Directorate
<i>Distribution:</i>	All Employees
<i>Implementation:</i>	12 December 2006
<i>Scheduled Review:</i>	December 2008

Objective

To provide a guiding philosophy and framework for evaluating the allocation of proposed community purpose sites and considering the development of existing community purpose sites.

Statement

This policy relates to the need for the feasibility of local community facilities to be justified prior to development. Rather than relying upon prescriptive standards, or conversely developing facilities in a haphazard manner, this policy prescribes clear guidelines for assessing the suitability of site allocation and the subsequent development of community facilities. The substantial financial demands of the City's rapid urban growth and the significance of social infrastructure to ensure a healthy community highlights the importance of implementing clear planning principles.

Purpose

The purpose of the policy is to:

1. provide a framework and set of guidelines to assess the proposed location of community purpose sites within draft district and local structure plans to ensure maximum benefit to the local community.
2. provide benchmark criteria to ascertain the feasibility, required catchment area, purpose, funding, development timeframe and design of future community facilities.

Definition/s

For the purposes of this policy the following definitions are applicable:

1. *Community Purpose Site* - is land made available free of cost to local government by subdividers of residential land for the specific development of local community infrastructure.
2. *Community Infrastructure* - refers to buildings and associated amenities that are in public places and enhance community interaction.
3. *Community Centre* - is a public building that increases opportunities for positive interaction and cooperation amongst the local community through flexible design and management principles that support the provision of affordable, sustainable and equitable recreational, health, educational and social services.

Principles for Assessment

The implementation of development criteria supports the notion that the community should not suffer as a result of inadequately located or designed community purpose sites. The principle objective is to ensure that adequate sites are available to meet local needs for community services and facilities in appropriate and accessible locations.



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The rapid level of growth and revitalisation throughout the City requires community facility development criteria to be implemented in five stages:

1. Initial Site Assessment
2. Smart Growth Policy Assessment
3. Facility Needs Assessment
4. Facility Feasibility Study
5. Strategic Assessment

Initial Site Assessment

In order for the allocation or development of a community purpose site to be considered the location and suitability of a site must be investigated utilising the following site assessment criteria. Inadequate adherence to the following criteria will diminish the justification of any given site for infrastructure development:

- Allocation of at least one site per 10,000 - 15,000 residents based on the projected residential capacity of any given structure plan area.
- Located on or near public transport routes, at a minimum, any proposed facility must be within 250 metres of a bus/train stop.
- Located within or near neighbourhood/local/district/regional centres and/or public open space, in a position that is relatively central to the proposed long-term catchment.
- Clustered with compatible facilities to form vibrant, frequently visited precincts.
- Located within 1 kilometre of a major arterial road.
- Located off major roads and having safe crossing points in close vicinity to ensure safe access
- Located within 1 kilometre of a government primary/high school
- Located a minimum of 2 kilometres from any other community facility, unless such a facility is considered to offer complementary services
- Located adjacent to or a maximum of 500 metres from public open space (passive or active)
- Site location should take into account future facility design issues to ensure compliance with CEPTED (Crime Prevention Through Environmental Design) principles relating to sightlines, lighting, surveillance and isolation issues, entrapment spots, movement predictors, signage, landuse and activity mix, landscaping and fencing.
- Explanation of the site in terms of purpose, benefit to urban structure, surrounding housing densities and accessibility to likely users within structure plan submission.

Smart Growth Policy Assessment

The second stage of assessing the suitability of a community purpose site for development must involve a direct assessment of the site utilising the City's Smart Growth Strategy. This provides a range of options for the assessment of urban growth management including the Smart Growth Assessment Tool, Local Planning Policy and Community Development Strategy. The implementation of these tools during the assessment of a community purpose site will ensure an integrated approach to facility sustainability:

Smart Growth Assessment Tool (SGAT)

The SGAT allows developers and the City to consistently assess the performance of structure plans against the City's Smart Growth Strategy.



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Specifically, the Smart Growth principles relating to 'Effective Use of Land & Infrastructure' (Principle 2) and Identity, Equity & Inclusiveness (Principle 4) refer directly to the provision and development of community facilities.

Community Development Strategy

Wanneroo LIFEstyles brings together the community focused elements of the City's Strategic Plan and Smart Growth Strategy to form guiding principles and practical applications required to achieve more for the local population. The strategy is linked to the City's internal strategies, however, an important objective is to encourage all stakeholders involved in our community to assess and evaluate their potential impact. As a result, a series of simple checklists have been established to assist in this process formulated around specific target groups and key development stages. The implementation of these checklists to assess a proposed community facility is vital to gain input from key stakeholders such as community members, service providers, government agencies, internal staff and elected members. In addition, during the preparation of structure plans there are five checklists specifically relevant for developers. The site allocation and development criteria insists these checklists are submitted during the structure planning process to ensure community infrastructure is appropriately planned and located.

Facility Needs Assessment

Upon satisfactory adherence to initial site assessment criteria and the City's Smart Growth strategies the implementation of a detailed Facility Needs Assessment is the next stage in considering the suitability of a community purpose site for development. The needs assessment will comprehensively test whether a new facility at any given location is justified and also provide clear direction with regard to the most appropriate scope, scale and components of a proposed facility. The implementation of a facility needs assessment must incorporate the following elements to adequately investigate the sustainability of a community purpose site:

- Adherence to the Department of Sport & Recreation Facility Needs Assessment Guidelines
- Projected population trigger of 10,000 - 15,000 people for each allocated community purpose site
- Investigation of the existing and planned future facilities and services within the catchment
- Analysis of current and future needs and trends within the local population relating to community facilities
- Community consultation with residents and service providers
- An assessment of how the local community will use the site and surrounding area, the community aspirations for the site and the local neighbourhood
- Determination of facility need based on analysis and synthesis of the information gathered, and identification of duplications and gaps in provision

Facility Feasibility Study

The finalisation of a Needs Assessment Report will present findings on the needs of the community, results of community consultation and whether a continuation of the facility planning process is justified. The expressed need, viability and sustainability of a community facility will initiate the implementation of a facility feasibility study.



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The study should critically assess a proposal to develop a facility and make an informed decision whether to proceed with any given project. The study is a means to an end, that end being a detailed report determining recommendations in relation to concept design, draft management plan, location rationale, capital costs, operating income and expenditure, staging alternatives and the overall justification of the project. The implementation of a feasibility study must incorporate the following elements to adequately address the justification of community facility development:

- Adherence to the Department of Sport & Recreation Feasibility Study Guidelines
- Demonstrated demand within the catchment projected 10 to 15 years based on community profile including social and demographic trends
- Suitability of site for community facilities utilising *site assessment criteria*
- Analysis of the suitability of site for proposed uses
- Analysis of usage rates at existing facilities proving to be viable (to enable this the City must adopt a systematic approach to tracking facility usage levels to ensure facilities are meeting perceived community needs)
- Investigation of options for multipurpose use, shared-use and collocation options
- Completion of a preliminary traffic and parking assessment
- Development of a draft management plan
- Completion of the City's Community Development Strategy checklists relevant to internal staff, community members, community groups, service providers, government agencies and developers.

Strategic Assessment

The final development criteria stage, and a key supporting element to the feasibility study is ensuring that facility development meets the City's corporate vision, goals and principles. The following guidelines must be satisfactorily addressed in order for a proposed facility to proceed:

Policy

How does the facility adhere to the goal of 'Healthy Communities' within the City's Strategic Plan?

How does the facility adhere to relevant City of Wanneroo policies relating to the planning, funding and construction of community infrastructure?

How does the facility adhere to the key principles of the City's Smart Growth Policy?

How does the facility link to specific Community Development action plans and strategies?

Economic

How will the capital costs of the facility be raised?

Does the project warrant inclusion within the City of Wanneroo Forward Capital Works Budget?

How much will the facility cost to build and operate?

How will the facility contribute to employment within the City of Wanneroo?

How will the facility bring new money into the City of Wanneroo?

Who are the partners in the project?

Does the project comply with relevant grant funding guidelines?

Who will and how will the facility be managed?



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Social

How does it contribute to the social fabric of the City of Wanneroo?
How does it relate to the culture and history of the City of Wanneroo?
How does the facility take into consideration social and leisure trends?
Who will share the use of the facility?
How does it involve the broader community?
How does it contribute to the creation of a vibrant community precinct?

Environmental

How does the facility relate to environmental best practice with regard to being waterwise, energy efficient and so on?
Is it possible to share or upgrade an existing building?
Does it enrich the natural environment?
Does it raise environmental awareness?

Development Applications

In the event that a proposed site/facility meets the relevant 'principles for assessment' it should not be assumed that this approves the development. A development application and any required building licence application may still be required to be lodged and approved in the normal manner.

Responsibility for Implementation

Director Community Development

Other Related Policies

Pre-Funding of Community Infrastructure
Centres Policy
Key Access – Community/Leisure Buildings
Naming of Council Facilities
Facility and Reserve Hire and Use
Local Planning Policy – Smart Growth

CE04-12/17 Delegation of Authority During the Council Recess Period

File Ref: 3131 – 17/397556
Responsible Officer: Executive Manager Governance and Legal
Disclosure of Interest: Nil
Attachments: Nil

Moved Cr Hayden, Seconded Cr Newton

That Council **DELEGATE BY ABSOLUTE MAJORITY** to the Chief Executive Officer the authority to **DETERMINE** and **ACCEPT** the following tenders during Council's recess period from 6 December 2017 to 5 February 2018 only, subject to confirmed budgetary provisions and the requirements of the *Local Government (Functions and General) Regulations 1996*:

1. Tender 17174 Annual Park Asset Renewal Program;
2. Tender 17223 Construction of the Kingsway Olympic Sports Clubrooms New Changerooms Facilities;
3. Tender 17224 Duplication of Mirrabooka Ave (Hepburn Ave to Gnangara Rd); and
4. Tender 17246 Construction of Water and Sewer Reticulation Neerabup Industrial Area.

CARRIED BY ABSOLUTE MAJORITY
14/0

Item 9 Motions on Notice**Procedural Motion**

Moved Cr Zappa, Seconded Cr Treby

That Council adjourn the meeting for two minutes to allow Cr Zappa to discuss the next item with Cr Coetzee.

CARRIED UNANIMOUSLY

No Elected Members spoke on the item prior to the Motion to adjourn.

The meeting adjourned at 7:26pm.

Cr Simpkins and Cr Nguyen left Chambers at 7:26pm.

Moved Cr Treby, Second Cr Cvitan

That the meeting be resumed.

CARRIED UNANIMOUSLY

The meeting resumed at 7:28pm.

Cr Simpkins returned to Chambers at 7:29pm.

Cr Nguyen returned to Chambers at 7:30pm.

MN01-12/17 Cr Sonet Coetzee – Request for Financial Assistance by Yanchep Men's Shed

File Ref: 32765 – 17/404334
Author: Cr Sonet Coetzee
Action Officer: Director Community and Place
Disclosure of Interest: Nil
Attachments: Nil

Moved Cr Coetzee, Seconded Cr Aitken

That Council:-

1. **BY ABSOLUTE MAJORITY, APPROVES** a financial contribution of \$9,000 to the Yanchep Community Men's Shed to cover rental costs to enable the Men's Shed to continue operating from their current premises with the funding to be allocated from the 2017/18 Community Funding Program;
2. **NOTES** that Administration will present a report on a Community Sheds Policy for Council consideration in February 2018;
3. **NOTES** that Administration will consult with WA Men's Shed Association Inc. (WAMSA) on the development of such a Policy and pursues the development of a Memorandum of Understanding (MoU) with WAMSA aligned to the Policy; and
4. **NOTES** that Administration will develop a report on possible financial assistance that can be considered as part of the 2017/18 mid-year budget review to support the provision of facilities for community organisations such as Men's Sheds within the City of Wanneroo.

**CARRIED BY ABSOLUTE MAJORITY
14/0**

Item 10 Urgent Business

Nil

Item 11 Confidential

Moved Cr Aitken, Seconded Cr Fenn

That Council move into a Confidential Session to discuss these items under the terms of the Local Government Act 1995 Section 5.23(2).

CARRIED UNANIMOUSLY

The meeting was closed to the public and all recording ceased at 7:40pm.

CR01-12/17 HACC Contract Negotiations

File Ref: 26470 – 17/381195
Responsible Officer: Director Community and Place
Disclosure of Interest: Nil

This report was dealt with in confidential session, under the terms of the Local Government Act 1995 Section 5.23(2), as follows:

- (c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting*

Moved Cr Aitken, Seconded Cr Treby**That Council:-**

1. **AUTHORISES** the publication of a local public notice of the intention to dispose of the negotiated assets on the HACC Assets List as provided within the report, in accordance with Section 3.58 of the *Local Government Act 1995*;
2. **AUTHORISES** the Chief Executive Officer to negotiate with the WA Department of Health in relation to the transition of Home and Community Care Services including the Home and Community Care Assets and HACC Assets Replacement Reserve; and
3. **Execute** all documentation, consider and reject any submissions and comply with all applicable legislation as is required to give effect to Recommendation 1.

CARRIED UNANIMOUSLY

Moved Cr Fenn, Seconded Cr Aitken**That the meeting be reopened to the public.**

CARRIED UNANIMOUSLY

The meeting was reopened to the public and all recording recommenced at 7:41pm.

Mayor Roberts read aloud the resolutions carried on Item CR01-12/17.

Item 12 Date of Next Meeting

The next AGM of Electors and Elected Members' Briefing Session has been scheduled for 5:30pm on Tuesday, 30 January 2018 to be held at Council Chambers, Civic Centre, 23 Dundobar Road, Wanneroo.

Item 13 Closure

There being no further business, the presiding person closed the meeting at 7:45pm.

In Attendance

TRACEY ROBERTS, JP

Mayor**Councillors:**

FRANK CVITAN, JP

Central Ward

SAMANTHA FENN

Central Ward

DOT NEWTON, JP

Central Ward

LINDA AITKEN, JP

North Coast Ward

SONET COETZEE

North Coast Ward

RUSSELL DRIVER

North Coast Ward

LEWIS FLOOD

North Coast Ward

NATALIE SANGALLI

North Coast Ward

DENIS HAYDEN

South Ward

HUGH NGUYEN

South Ward

LARA SIMPKINS, JP

South Ward

BRETT TREBY

South Ward

DOMENIC ZAPPA

South Ward